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WEEKLY REVIEW  
INSIDE TODAY

# THE JERUSALEM POST

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**Opec glee  
as oil  
prices soar**  
Pages 8 & 9

SECOND EDITION

## U.S. ready to improve Iran ties

By WOLF BLITZER  
Jerusalem Post Correspondent  
WASHINGTON. — The Reagan administration yesterday said it was prepared to try to improve relations with Iran despite the controversy surrounding U.S. arms shipments to that country and the alleged diversion of proceeds from those sales to the rebels in Nicaragua.

But at the same time, White House and State Department officials rejected any resumption of U.S. arms sales to Iran. They also said the U.S. was now reviving its Operation Staunch, aimed at pressuring other countries, including Israel, not to provide weapons to Iran.

"Because of Iran's strategic position," White House spokesman Larry Speakes said, "we're prepared to listen to Iran if it is ready to continue a dialogue. But as the secretary of state laid down, [there are] a number of guidelines for that dialogue. Iran's pursuit of the war [against Iraq] and its support for terrorism remain major impediments."

Other U.S. officials said the administration, in recent weeks, had strongly urged Israel to suspend its own widely-suspected military supply relationship with Iran, which reportedly still involves the use of private Israeli arms agents based in Europe.

The Wall Street Journal yesterday reported that a secret memorandum prepared by the White House following the initial round of questioning of former National Security Council official Oliver North last month raised the possibility that some unnamed Israeli officials may have been informed of the plan to fund the Contra rebels in Nicaragua.

The FBI wants to question several Israeli officials involved in the arms shipment affair. A team of investigators would like to go to Israel to meet with the implicated Israeli officials and army agents. Israel has denied any knowledge of the Contras connection.

Meanwhile, the White House said yesterday that Reagan had ruled out granting blanket pardons to North and former National Security Adviser John Poindexter. Such pardons would supposedly allow the former aides to testify about their roles without fear of prosecution.



This was the way the censor yesterday blacked out the message that Mordechai Vanunu wrote on his palm outside the Jerusalem District Court on Sunday to tell how he was brought to Israel. (Reuters)

## Rome wants Vanunu claim checked

By BENNY MORRIS  
Post Diplomatic Correspondent  
and Agencies

Italy's ambassador, Giovanni Dominico, yesterday said that if Mordechai Vanunu had indeed been abducted "with violence" from Rome, then Israel had violated Italian law. But Dominico added that for the moment, he knew nothing about Vanunu's allegations and that he was seeking "instructions" from the Italian capital.

The envoy said that whether Italy would take diplomatic action or file a protest to Israel depended on what had happened. "At the moment, I don't know what happened. If violence was used [then Italian law was broken]; on the other hand, if [Vanunu] was just passing through Rome, then that is a different question."

The Italian government yesterday asked Dominico to seek an explanation about reports that Vanunu had been kidnapped in Rome, according to an Associated Press report from the Italian capital.

A few seconds before entering the Jerusalem District Court on Sunday, Vanunu had tried to outwit his guards by flattening one of his palms against the window of the police van taking him to the court. He had scrawled five lines in English on his

palm telling how he believed he had been whisked out of England and brought to Israel via Italy. In the courthouse, these lines were washed off Vanunu's palm. Then, on his way out of the courthouse three hours later, an Israeli reporter fired questions at Vanunu in Hebrew, asking him where he had been kidnapped. Vanunu shouted

## The palmed message

The following is what Mordechai Vanunu wrote on the palm of his hand to explain how he believed he had been brought back to Israel to face trial.

Vanunu M  
WAS HIJACKED IN  
ROME ITALY  
30.9.86 21.00  
Came to Rome  
BY BA FLIGHT 504

The message should apparently be read: "Mordechai Vanunu was hijacked in Rome, Italy on September 30, 1986 at 9 p.m. He came to Rome on British Air flight 504."

Judging from the message Vanunu seems to have been unaware of how he reached Israel from Italy.

back. "Rome," before a police guard clamped his hand on Vanunu's mouth.

This reply and the lines on Vanunu's palm were banned by the censor, although they had been seen and heard by journalists, photographers and bystanders.

But the censor relented yesterday afternoon when a report appeared in the London Evening Standard, which was subsequently broadcast on the BBC. The Evening Standard said that Vanunu had been tempted by a female Mossad agent named "Cindy" onto British Airways flight 504 from London to Rome on September 30 and was subsequently flown to Israel, in the company of Mossad agents.

The Evening Standard did not say how it had received its report and gave no further details of the abduction.

The Jerusalem Post has learned that on Tuesday, September 30, when Vanunu was said to have been abducted in England, the BA504 flight left Heathrow Airport at 2:45 p.m., making a non-stop flight to Rome, where it arrived at 6:38 p.m. local time. 18 minutes late. (There is a BA504 London-Rome non-stop flight daily.)

Italian news agencies quoted un-

(Continued on Back Page)

## Two committees to revise tax reform

# Original plan too dear, ceiling of cuts NS 250m

By AVI TEMKIN  
Post Economic Reporter

Concluding nine hours of deliberations the cabinet last night reached agreement on the setting up of two ministerial teams that will deal with the proposed cuts in the budget and reforms in the system on the capital markets.

When the Cabinet meeting concluded after midnight a number of ministers said that, in fact, the Treasury's plan had not actually been put to a vote; therefore, they stressed the overall shape of the plan had not been approved. All the cabinet had decided upon was the creation of the committees, one that will deal with the budget and one that will try to negotiate with the Histadrut and employers on the proposed changes in the tax system.

According to the cabinet decision, the first team will be composed of the members of the economic inner cabinet — Prime Minister Shamir, Foreign Minister Peres, Finance Minister Moshe Nissim and Economic Minister Gad Ya'acobi. This team will try in the coming week to conclude the cuts in the budget and

will negotiate with every individual ministry. Its decisions will carry the power of a cabinet decision.

The second team will be composed of Peres and Nissim alone, and will try within ten days to reach a compromise on changes in the tax system.

Peres and Nissim were empowered to reach decisions that will cost the State budget only NIS 250m. There had been fears that the reform, if implemented according to the Treasury plan, would have cost much more.

Even as the cabinet reached its interim accord, the Bank of Israel had begun to have second thoughts about its cost.

Bank and government sources said that the Governor of the Bank of Israel, Michael Bruno, feared that the cost of financing the tax reform would be greater than anticipated by the Treasury. The 250 million limit set would be acceptable to the Bank, more would cause concern, Bank sources said.

Industry and Trade Minister Ariel Sharon said at the cabinet meeting that industry would suffer under the reform plan. He demanded that

purchase taxes not be reduced as planned on January 1, except on raw materials, and that industrial centres be built in the Gaza Strip, Judea and Samaria.

He also proposed that existing tax benefits for industry and night shift workers in industry be preserved, and called for new benefits for industry that would reduce labour costs.

Both Shamir and Vice Premier Shimon Peres referred in the discussion to changes in the original Treasury plan that would apparently include greater compensation for groups harmed by the scrapping of tax exemptions.

Peres said that the government could not conduct a campaign simultaneously against all sectors of the economy. The government's power was limited, he said, so the reforms should be moderate and implemented by agreement of all groups involved.

Cabinet opposition to the plan was spearheaded by Defence Minister Rabin, who opposed not only the proposed NIS180 cut in the defence budget, but all cuts in next year's budget.

(Continued on Page 2, Col. 1)

## Arens-Levy feud in Herut

# Real cause: Post-Shamir leadership

TEL AVIV. — The altercation between Moshe Arens and David Levy during Sunday's cabinet session will continue to fuel political flare-ups in Herut, party pundits predicted yesterday. They noted that despite Arens' explanation-cum-apology and despite Levy's reluctant "let-by-gones-be-by-gones," the lieutenants of the two adversaries are continuing to battle passionately.

Herut members yesterday were sceptical about the stated reason for Levy's angry walkout from the cabinet session — that he felt personally slighted by Arens' remark that "we need American standards of living in Israel and not African ones."

Even members of Levy's camp privately agreed that it was far-fetched to construe Arens' words as

alluding to Levy's Moroccan extraction. For some the remark recalled a comment by the late prime minister, Levy Eshkol, that "what is wrong with the Israeli economy is that we want to live like Americans and work like Africans." Neither remark referred to North Africa.

The real cause of the incident, say insiders from the various Herut factions, is that Levy and Arens happen to be the two major contenders for the post-Shamir leadership in Herut. As things stand now, they are the

only serious contenders.

No one in Herut sees the on-and-off Ariel Sharon candidacy as viable. The current battles in Herut are thus not really between Levy and Shamir, but between Levy and Arens.

Levy knows he cannot unseat Shamir now. His aim is to succeed Shamir. Arens is the Shamir camp's favourite son. Levy sees Arens as preferred by the Ashkenazi veterans, the Herut mainstream, the party middle class and intelligentsia. He resents the fact that all these "higher class" elements are ostensibly ganged up against him.

Hence Levy loses no opportunity to raise the ethnic issue and to picture Arens as an anti-Sephardi high-brow. His onslaughts on Arens — "the professor, that intelligent man

(Continued on Back Page)

## Kupat Holim workers to strike today

By JUDY SIEGEL  
Post Science and Health Reporter

Some 10,000 administrative and maintenance employees of Kupat Holim Clalit are to strike all day today over management's refusal to grant them the 10 per cent salary hike given to all other Histadrut workers 18 months ago.

The strike will affect all Kupat Holim Clalit clinics, as well as all of its general, geriatric, psychiatric and rehabilitation hospitals. These are Beitlison, Carmel, Afula, Meir, Hasharon, Soroka, Yosephthal, Kaplan, Hatzfeld, Beit Rivka, Levinstein, Geha, Shalvata and Talbieh Hospitals, and clinics around the country.

Kupat Holim Clalit spokesman David Tagar yesterday called on relatives of patients at these institutions to help out and distribute meals during the one-day strike. Doctors and nurses have agreed to partially fill in for the absent workers. The cooking staff belong to a different union and will not strike.

Management hopes patient discomfort will be kept to a minimum. Asked why the Histadrut health fund has refused to pay the increment, the spokesman maintained: "We're in a terrible financial situation and just can't afford it."

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## Court raps Sharir's defence of Nakash

The state's defence of Justice Minister Avraham Sharir's decision not to extradite William Nakash to France came under withering criticism yesterday from the five-judge panel sitting as the High Court of Justice.

The judges repeatedly asked how Sharir could have reached the conclusion that Nakash's life would be endangered in a French jail, if the justice minister had not tried to establish any factual basis for this assessment.

"How is it possible to make an assessment without an examination [of facts]," asked Justice Miriam Ben-Porat. "Such an assessment is nothing more than a guess."

Assistant state attorney Nili Arad, who was selected to defend Sharir's decisions, began her arguments in the three-hour hearing by asserting that the minister had broad discretionary authority to decide whether

someone should be extradited. If the minister decided against extradition, then objections could be raised by the state that made the request, she said.

When Arad argued that the High Court had no reason to intervene if Sharir's decision had been made in good faith, Ben Porat commented that the ground for Sharir's action were indeed subject to judicial review.

Yesterday's hearing was on the petition that Citizens Rights Movement MKs Shulamit Aloni and Dedi Zucker filed the day after Sharir decided not to extradite Nakash, seeking to revoke the decision. Nakash was convicted in absentia of murdering an Arab in Besancon in February 1983, in what the French authorities viewed as a gangland-style killing. He escaped to Israel shortly thereafter.

(Continued on Page 2, Col. 2)

## Police to take action against bogus jobless

By BERNARD JOSEPHS  
Jerusalem Post Reporter

A crackdown on cheats who claim unemployment pay under false pretences has been ordered by Labour and Social Affairs Minister Moshe Katsav. The minister said he had asked the police to "take action" against people claiming benefits while they are working, and he spelled out a tough line on the problem of joblessness.

Addressing members of the Israel Spokespersons' Association in Jerusalem, he said: "Every person living on unemployment pay should feel uneasy. If there is work in picking fruit then he should take the job. Anyone without a job should be prepared to take any type of work."

Katsav said that the situation in which thousands of people were unemployed while Arab workers from the territories carried out tasks such as harvesting fruit constituted a "major social problem."

He castigated the Knesset for failing to accept two suggestions for toughening the law on employment. He had asked the House to require unemployed people aged 25 or under to accept any type of job, but this had been considered by MKs to be socially unacceptable.

He had received the same response when he suggested that the

jobless be required to take jobs up to 60 kilometres from home, rather than the present limit of 40 kms.

Katsav said he had not yet decided whether to support the draft budget for 1987/88, but he said he could not accept massive cuts in welfare services.

He said: "In my view, last year's welfare cuts were not necessary and did nothing to improve the economy. The cuts in these services did not stop inflation; it was the cuts in subsidies and other things that did that."

It was not just, he said, for the government to talk about growth and putting the economy on an even keel without taking into account the need to improve society by caring for those in need.

"We cannot have a situation, as we do now, when we have 2,000 retarded people waiting for treatment and residential care because we have no money to deal with them," said the minister.

He said he was against cuts in old-age pensions and in aid to the retarded. "If we want to talk about improving the economy then we must talk about these things, too."

Katsav said he was against taxing child allowances, not least because of the bureaucratic complexities this caused.



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## The weather at major Swissair destinations

	MIN.	C	F	MAX.	
AMSTERDAM	-3	22	72	37	Clear
BRUSSELS	-1	20	68	43	Clear
BURNOSSA	19	26	79	36	Clear
COPENHAGEN	-1	20	68	43	Clear
FRANKFURT	0	22	72	39	Clear
GENEVA	0	22	72	41	Clear
HELSINKI	-12	19	66	34	Snow
HONGKONG	13	25	77	64	Clear
JERUSALEM	13	25	77	39	Clear
LONDON	1	24	75	49	Clear
MADRID	4	29	84	54	Rain
MONTREAL	-15	5	41	21	Clear
NEW YORK	8	22	72	51	Clear
PARIS	-11	13	55	31	Clear
SAO PAULO	2	26	79	41	Clear
STOCKHOLM	-18	14	57	32	Clear
TOKYO	4	29	84	46	Clear
TORONTO	-1	21	70	34	Clear
ZURICH	-1	26	79	32	Snow

\*For the latest weather conditions contact Swissair.

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### THE WEATHER

Forecast Clear	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	70	8-15	15
Golan	93	8-10	15
Nahariya	96	7-10	15
Safed	98	7-10	15
Haifa Port	98	7-10	15
Tiberias	98	7-10	15
Nazareth	98	7-10	15
Afula	98	7-10	15
Shomron	98	7-10	15
Tel Aviv	72	8-15	17
B-G Airport	72	8-15	17
Jericho	67	11-18	20
Gaza	64	11-22	23
Beerseba	62	10-19	20
Elar	49	4-18	21
Elar	29	9-22	24

Rainfall in millimetres for the 24 hours ending 8 p.m. last night: Golan Heights 6; Safed 5; Tiberias 2; Nazareth 3; Afula 4; Shomron 2; Tel Aviv 5; Ben-Gurion Airport 1 mm.

### SOCIAL & PERSONAL

The first of this year's Chaim Weizmann Memorial Lectures was given yesterday in the Weizmann Institute's Wix Auditorium by Prof. Richard N. Zare of Stanford University, who spoke on Lasers: Chemistry on the Light Side. His lecture today is to be on Laser Multiphoton Ionization.

### Festive IPO opening concert

The Israel Philharmonic Orchestra opened its series of jubilee concerts last night at Tel Aviv's Mann Auditorium with a programme containing only one work, Beethoven's Ninth Symphony.

The mood was festive and the house was packed.

Daniel Barenboim conducted and the choir of the Orchestra of Paris sang the choral part of the symphony's last movement. The vocal solos were sung by soprano Barbara Hendricks, tenor Chris Merritt (both from the U.S.), baritone Jose van Dam (Belgium) and alto Mira Zakai (Israel).

The concert, under the patronage of President Herzog, was sponsored by the British Friends of the IPO and was broadcast on the Voice of Music.

### PLAN

(Continued from Page One)

Labour Minister Moshe Katsav said that before straightening out distortions in the economy, the cabinet should try to establish social justice. He proposed that the income tax threshold be raised to NIS 1,000.

He called the Treasury's plan "a festival at the expense of the country's security." He then said to Finance Minister Nissim: "The slogan of the old General Zionists [predecessor of the Liberal Party] was 'Let us live in this country'. We've already witnessed what happened when the late Simha Ehrlich tried it."

Health Minister Shoshana Arbeli-Almosino also complained bitterly about the proposed cuts and said that by deciding on cuts in health, the cabinet was in fact deciding on "who would live and who would die."

that the maximum tax bracket be set at 50 per cent and that capital gains on the stock exchange be taxed.

Education Minister Navon said that the Treasury's plan to slash NIS 30m. from the education budget was a breach of its agreement with his ministry, reached only a few weeks ago. He predicted that some 7,500 teachers would be dismissed and that schools in rural areas and in settlements in the West Bank would be shut down if the programme was implemented.

Nissim met with the National Religious Party Knesset faction earlier in the day and succeeded in getting their support for the plan. On entering the cabinet meeting, Religious Affairs Minister Zevulun Hammer said he would support the plan.

### Ramat Gan pupils want MKs to serve as example

The student council of the Bick Secondary School in Ramat Gan has called on Knesset members to forgo the 40 per cent salary increase recommended by the Knesset Finance Committee.

The council asked the Knesset members to serve as an example to other Israelis at a time when the health, education and defence budgets are threatened with further cuts.

## HOME AND FOREIGN NEWS

### Working women blast economic programme

**By LEA LEVAVI**  
Jerusalem Post Reporter

TEL AVIV. - Women members of work committees yesterday met at Histadrut headquarters to protest the proposed economic programme and warn the government not to make "hasty and reckless" decisions which will "upset the hard-won economic balance."

Trade Union Department Chairman Haim Haberfeld told the gathering that Finance Minister Nissim was worse than his predecessor Yitzhak Moda'i in fostering liberal ideology that promoted the interests of free professionals, merchants and middlemen over those of workers and industrialists.

"Every time he met with us," Haberfeld said, "he would give examples of one group of wage-earners who would take home NIS 10 more after the reform, or another group whose net pay would increase by NIS 14. The truth is that all workers - from those who earn NIS 500 a month to those who earn a few thousand - will be hurt."

The Trade Union Department was beginning to debate what strategy it should use in negotiating the next wage agreements, Haberfeld continued.

"Some say we should ask for a lot more; some say a little more; some say we should protect what we have. Nobody says we should give up things we have already achieved - particularly when this is to be done by government decree or by passing a law in the Knesset - not by negotiating with us," he said. He denied that the Histadrut's opposition was political. "We didn't let Shimon Peres do it either, in case anyone has

forgotten," he said, referring to the Histadrut-government battle over the previous economic plan.

Aliza Tamir, head of the working women's department in the Trade Union Department, said part of the problem was that the word "reform" sounded very good. The public could fall into the trap of believing the government that there would be more take-home pay if the reform went through.

"But you don't have to be an economist to know you can't have your cake and eat it too," she said. "When they tell us the cost of the reform will be minimal and everyone will benefit, something doesn't quite fit."

When the discussion was opened to the audience, a nurse said she was concerned that people would refrain from getting needed medical care if they had to pay health fees. She also said that the nurses would be worse off than before if the programme was adopted.

A representative of the Industry and Trade Ministry works' committee predicted job losses in the government sector. And home care workers, who provide services to the aged and invalids, complained that they could not continue to provide their services at NIS 2.50 an hour, and that ultimately home care would only be available to people with means.

The last speaker recommended serious action. "Let's close our places of employment; let's not buy anything other than bread and milk to show them that working women can no longer be pushed around," she said.

### Kessar flexes muscles but willing to negotiate

**By MICHAEL YUDELMAN and LEA LEVAVI**  
Jerusalem Post Reporters

As unions throughout the country continued holding emergency meetings and declaring labour disputes yesterday in protest against the proposed economic programme, Histadrut leaders said they would be willing to discuss the programme at a joint working forum of Histadrut employers and government representatives.

Histadrut Secretary-General Yisrael Kessar instructed the Histadrut's research institute to prepare policy papers on tax reform, capital reform and budgetary cuts. If work teams were set up to formulate new programmes on these three issues, constructive negotiations could be held, he said.

The steel, electricity and electronics workers union, the clerks and the Histadrut's Teachers Union,

joined the list of unions that have declared labour disputes this week. Today, the textile workers are to meet to declare a labour dispute and tomorrow the foodworkers are to follow suit.

By the end of the week, it is expected that the country's 40 trade unions will all have declared labour disputes, enabling them to impose sanctions and launch an all-out strike in 15 days.

The clerks' union announced yesterday that if the government ignored the Histadrut and tried to approve the economic programme without heeding its objections, it would begin taking measures even before the 15 days were out.

The teachers emphasized that workers earning under NIS 2,000 a month - the category to which they belong - will be hurt by the programme.



William Nakash appears in the High Court of Justice yesterday with his wife, Rina.

### NAKASH

(Continued from Page One)

In defending Sharir's intention to prevent Nakash from being the victim of retribution in a French jail, Arad said that Nakash "turned himself into a symbol when he declared that his actions were Jewishly motivated. He brought this on himself."

This prompted Justice Dov Levin to comment: "That would be good advice to give defence lawyers. They should present their clients as symbols, and then they won't be extradited."

When Levin asked if the Justice Minister had contacted France about the purported danger to Nakash, Arad replied: "I don't have an answer."

Court President Meir Shamgar then interjected: "There is no way to assess a danger without checking it out. There must be a factual basis to support an assessment of danger. This should be checked with the Foreign Ministry, with the embassy

in France and with the prison."

Arad replied that Sharir had made this assessment on the basis of a "general sense" of the situation in Europe and France, and had not intended to argue "that Jews and Israelis are being murdered in French jails."

Responding to Levin's suggestion that prisoners could be held in isolation to protect them from threats on their life, Arad noted that prisoners held in these circumstances had been murdered, even in Israel.

William Nakash said yesterday that he would not agree to give his wife a get, a religious bill of divorce. His wife Rina has applied to the rabbinical court for a conditional get, to be activated if Nakash is extradited to France.

Speaking to reporters at the High Court hearing on his case, Nakash said that if he goes free, he intends to be a "loyal citizen and to serve in the army and work in my profession as an accountant."

He also complained that since his arrest in 1985 he has been held in a small cell and hardly ever sees any other prisoners. (Itim)

Ministry had contacted France about the purported danger to Nakash. Arad replied: "I don't have an answer."

### Better ties with Austria not likely

**By BENNY MORRIS**  
Post Diplomatic Correspondent

Austria yesterday expressed a desire for better relations with Israel, but no improvement appears in the offing.

During a meeting between Ambassador Otto Pleinert and Foreign Minister Peres in Jerusalem yesterday, Pleinert conveyed Austria's desire for strengthened relations, especially in the economic and cultural fields. The Austrian envoy, who returned to Israel two weeks ago after being recalled home for consultations, also expressed the hope that a "balanced level of representation" be restored as soon as possible.

Israel is now represented in Vienna only by a *charge d'affaires*. Israel has not appointed an ambassador to replace Michael Elitzur whose posting as envoy to Vienna came to an end shortly after Kurt Waldheim was elected Austrian president. Waldheim is suspected of having been a Nazi war criminal.

Since then, Israel has unofficially signalled that while it seeks good relations with Austria, an ambassador will not be sent to Vienna so long as Waldheim is president. Israel is unwilling to have an ambassador who would have to attend functions hosted or attended by Waldheim.

Peres yesterday welcomed Pleinert's return to Israel, but Israeli officials declined to say what, if anything, Peres said in response to Pleinert's request for an Israeli ambassador in Vienna.

Pleinert, for his part, talking to reporters after the meeting, reportedly said that there was no certainty that Austria would replace him with another ambassador when his posting ended in a few months.

### Shamir says defence budget can be cut

**By ASHER WALLFISH**  
Post Knesset Correspondent

Prime Minister Shamir said yesterday that certain marginal cuts could be made in the defence budget by carrying out efficiency measures, without affecting the power of the Israel Defence Forces.

Shamir said this during one of his routine surveys at the Knesset Foreign Affairs and Defence Committee, after most MKs who spoke had declared that the reduction in the defence budget included in the Finance Ministry's current proposals was out of the question.

The prime minister said it was false to assume that Israel and Jordan had agreed to cooperate on policy in the administered areas merely because U.S. proposals about improving conditions in the areas were resulting in practical projects there.

Shamir said that as far as he was concerned, the peace process amounted to implementing the Camp David accords with Egypt and no more. Autonomy had bogged down and that was where the matter stood, he said.

The prime minister turned down a plea by chairman Abba Eban that Israel issue a statement expressing its opposition to arms transactions with Iran. Eban said that the mood in the U.S. was increasingly in favour of Secretary of State George Shultz's call for a total arms ban. Shamir said that Israel had already made its position quite clear.

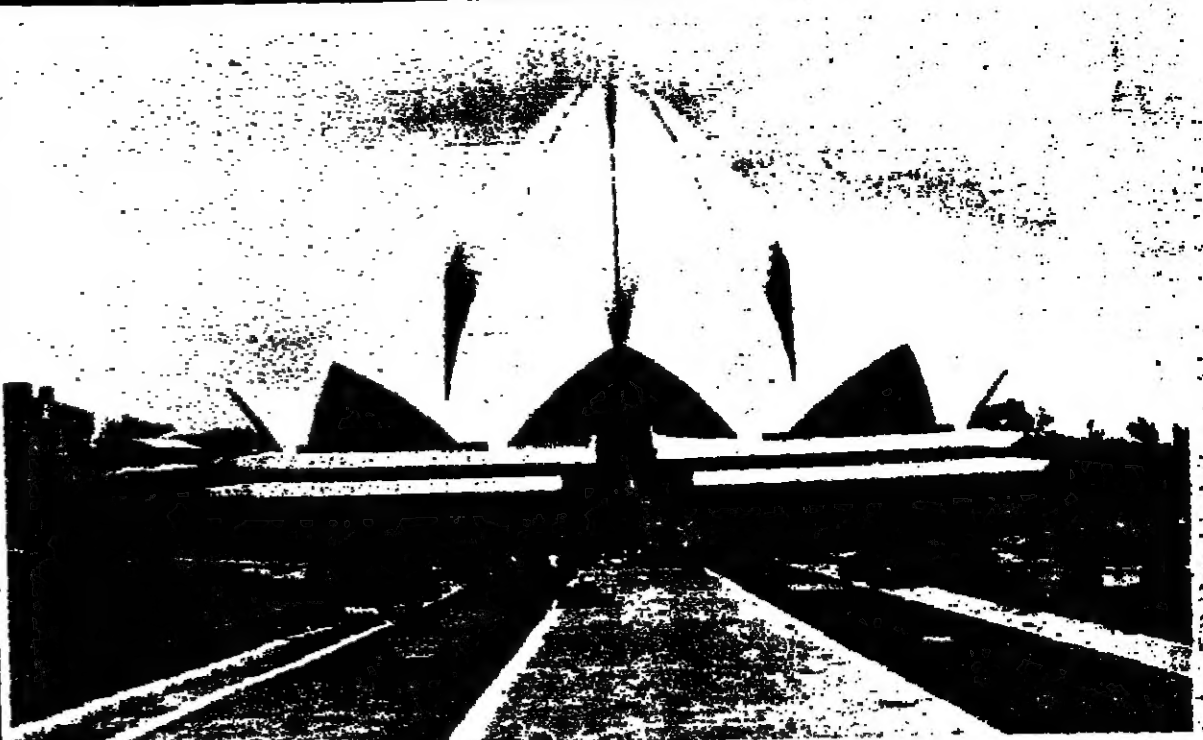
### Police check Kahane for incitement

Police are investigating whether MK Meir Kahane's statement in support of the establishment of another Jewish underground was a breach of law, and whether he can be charged with racist incitement or incitement to rebellion, Police Minister Haim Bar-Lev said yesterday.

Kahane made his remarks in an interview with Israel Television after police searched two yeshivot in Jerusalem's Old City on Friday. The interview was broadcast Friday night.

Bar-Lev discussed the matter at a meeting with representatives of the Ma'aneh anti-racism organization and Police Inspector-General David Kraus.

Meanwhile police sources said that 55 files have been opened in Jerusalem against people connected with the spate of disturbances following the murder of yeshiva student Eliahu Amedil last month. (Itim)



The first Baha'i house of worship on the Indian subcontinent, pictured here, is to be dedicated tomorrow in Bahapur, a suburb of New Delhi. The form of the lotus flower symbolizes the tenets of unity of the Baha'i faith and the culture and the peoples of India. It took over two years to plan construction of the building, using computer techniques, because of the lotus shape's complex structural requirements.

### Five Beduin homes bulldozed

**By DAVID RUDGE**  
Jerusalem Post Reporter

KIRYAT TIVON. - Five homes in the Beduin village of Hawaleh near here were torn down yesterday as demolition workers with bulldozers, accompanied by a large force of police, moved in to carry out court orders.

The demolition orders were issued at the request of the Interior Ministry's Planning and Building Committee in the Haifa district.

Most of the village's men were at work at the time and only women and children were in the houses when the bulldozers arrived.

After the workers removed furniture and other property from some of the buildings, the bulldozers moved in and knocked down the structures.

Mustafah Hawaleh, a father of six

and the owner of one of the houses, pointed bitterly at the remains of his home. "I don't know how they could do something like this, especially now in the winter," he said.

He said the homeless families intended to live in nearby huts which had previously housed their goats.

Some 50 families live in the village, which is not recognized by the authorities. They have consistently refused to move to the nearby Beduin village of Bosmat Tivon for fear that the state would expropriate their land.

Hawaleh said the government had promised it would not implement demolition orders on homes erected before the Markowitz committee investigating illegal building in the Arab sector started its work. He maintained that the buildings, which had housed several families, had

been constructed between 1978 and 1982.

The national committee of Arab local councils is to meet at the village today to decide what action to take in response to the demolition of the houses.

Dr. Yosef Ginat, former adviser on Arab Affairs to Minister Ezer Weizman, expressed surprise and shock at the demolition.

"These orders should not have been implemented until after the government had reached a decision on the recommendations of the Markowitz report," he said.

Ginat also said it had been agreed at the time that demolition orders against buildings erected before the Markowitz committee began its inquiry would be held in abeyance pending the government's decision on the recommendations.

### Poet hails Sakharov release 'but 4,000 need to be freed'

**By BERNARD JOSEPHS**  
London (AP).

Dissident Soviet poet Irina Ratushinskaya wrote to Soviet leader Mikhail Gorbachev hailing the end of Andrei Sakharov's banishment, but urging freedom for 4,000 political prisoners.

"It is very heartening to see that the Soviet Union is finally being led by a man who understands that democracy is essential to our country," Ratushinskaya said in an open letter to Gorbachev.

The poet, who served 3 1/2 years in prison for anti-Soviet agitation and propaganda, was released October 9. She came to London last week with her husband, Igor Geraschenko, a physicist who campaigned for human rights in the Soviet Union.

The couple appeared at a news conference yesterday, speaking partly in English and partly through

interpreters.

Ratushinskaya said she wrote to Gorbachev that the release from internal exile of Nobel Peace Prize winner Sakharov "brought us joy and hope." But she added that "half measures" were not enough, and urged the release of what she said was "at least 4,000" political prisoners in the Soviet Union.

Ratushinskaya, 32, told newsmen she thought Soviet authorities "are in a situation where they have to grant more intellectual freedom because without that there can be no furtherance of science."

Ratushinskaya said she had been incarcerated in conditions of extreme cold and filth, with only minimum food rations.

"I went into prison a perfectly healthy young woman. Three years later I was certain I would not live out the current year," she said.

### Bill proposed to cut foreign labour flow

**By BERNARD JOSEPHS**

A bill to protect workers' rights and to slow the flood of foreign labour into the job market is being proposed by the Knesset Labour and Social Affairs Committee.

Committee Chairman Ora Namir said the bill was urgently needed to deal with a dangerous situation in which employees stand to lose rights won through years of negotiations and struggle.

Namir warned that the demand for foreign workers was growing at a time when about 18,000 Israelis were unemployed. Nearly 2,000 foreigners were here on work permits. About 2,000 more were employed without permits, but with the knowledge of the authorities. There was a demand for over 2,000 more.

In addition, an unknown number were employed here without the authorities' knowledge.

She charged that employers were avoiding the need to pay for social benefits by hiring foreign labourers who do not enjoy them. This, she went on, would eventually undermine the position of Israeli workers and damage their employment prospects.

"For the employer the situation is perfect," she said. "They get workers who have no right to organize a union, no pension funds, no health care requirements, no National Insurance payments and who can be fired at a moment's notice."

"In addition, because they don't pay tax, they are kept happy by receiving large net salaries that in

effect don't cost the employer any more than a salary for a local worker."

One group of Portuguese workers in the textile industry, for instance, costs their employer \$1,200 each; each worker gets \$800 in take-home pay, and a \$400 fee is paid to the private employment agency that brings them here. An Israeli worker costs \$1,300 to hire if social benefits are included.

Under the proposed law, which is still being studied by coalition leaders, all workers would be entitled to full benefits, said Namir. It would be illegal for employment agencies to make workers sign contracts in which they give up these benefits.

She went on: "This influx of what is in effect cheap labour is already affecting society. Gradually, people will get used to the fact that workers' rights can be eroded and then Israeli employees, too, will suffer. Things like job security and the right to organize will gradually fade away."

"If we are not very careful, we will become like West Germany and Sweden with their Turkish workers," Namir said. "There have already been applications by some of the foreign workers to bring their

### 'Al-Fajr' banned in W. Bank

**By JOEL GREENBERG**  
Jerusalem Post Reporter

The distribution in the territories of the East Jerusalem newspaper, *Al-Fajr*, has been banned for two weeks because of 17 censorship violations in the past week. One of these violations was the publication of an uncensored interview with PLO leader Yasser Arafat in the paper's English-language edition.

*Al-Fajr* editor Hanna Siniora said the ban was "another example of restriction of freedom of expression in the territories," and would cause the paper significant financial losses. He called on the military government to reconsider its decision.

MK Abba Eban met yesterday with Siniora, deposed Hebron mayor Mustafa Natshe, and Gaza lawyer Fayez Abu Rahme to discuss developments in the territories and the Middle East peace process.

Eban's meeting with the PLO supporters followed a previous meeting with pro-Jordanian figures, including Bethlehem Mayor Elias Freij.

### Palestinian shot after throwing petrol bomb

**Jerusalem Post Staff**

A Palestinian was shot and wounded by soldiers after he threw a petrol bomb yesterday at a bus near Bethlehem, military sources said last night.

A group of Palestinians threw the bomb at a passing bus in the West Bank village of Beit Sahur. Soldiers travelling in the bus opened fire on the group and then chased the attackers, calling on them to stop. When the attackers failed to halt, the soldiers opened fire, wounding one, the source said.

### Wizo daycare centres open at 11 a.m. today

**By LEA LEVAVI**

TEL AVIV. - Wizo daycare centres are to open at 11 a.m. again today as the stalemate in negotiations over better working conditions for daycare workers continues.

As matters stand now, the daycare centres are expected to function normally tomorrow, but to be closed Thursday and Friday.

Cape Town Jewry mourns the passing of its beloved, revered leader  
Av Beit Din emeritus

**Rabbi EUGENE J. DUSCHINSKY**

South African Board of Deputies (Cape Council)  
Western Province Zionist Council  
Union of Orthodox Synagogues  
(Western Cape Regional Council)

December 19, 1986  
17 Kislev 5747

On the second anniversary of the death of our beloved

**RUTH FRENKEL**

a graveside memorial service will be held on Wednesday, December 24 at 1.00 p.m., at the Carmel Beach (Old) Cemetery. We shall meet at the entrance.

David Frenkel, Debra Nilman, Rachel Laloush, Maxie Frenkel, Barak Frenkel, and their families

A lecture on learning disabilities will be given, in memory of Ruth Frenkel, at Beit Ruth, Institute for Learning Disabilities.

Tel Aviv University  
Sackler School of Medicine

We share the sorrow of our colleague

RENE WIDE

on the loss of her

**Husband**



# Police crack down on Shanghai protesters

SHANGHAI (Reuters). — Chinese authorities clamped down on student protests yesterday, deploying 200 police around the site of Sunday's mass demonstration here and warning that official permission would be needed for further rallies.

Thousands of people demanding more democracy and press freedom gathered in Shanghai's People's Square on Sunday in the biggest protest seen in China for years.

Early this afternoon about 200 people arrived at the square in vans and dispersed into groups of people. They also screened the passes of those seeking to enter.

The clearly coordinated crackdown by the authorities also began an intensive propaganda blitz against the protest organizers.

Shanghai radio broadcast a warning from the city's police calling on citizens to "expose trouble-making and disrupting activities by a small number of people with ulterior motives and criminals in order to maintain public order."

The city's main newspaper, *Wen Hui Bao*, said "criminals took the opportunity to make trouble" during

the last two days of demonstrations, which had "caused serious obstructions at major traffic centres, affected production and social order."

The radio said that from now on official permission would have to be obtained for a rally or demonstration.

Witnesses said another 200 police lined the streets outside City Hall, which had been surrounded on Sunday by thousands of students and their supporters. Cameras were rolling, but there was no sign of any student groups or gatherings.

Security was also tight on the university campuses, from where the students led the marches.

People entering the Communications University were made to show their identity passes and the public-address system broadcast messages saying that students had been misled and did not have a clear idea of what was going on.

Classes seemed to be going on normally yesterday but with the addition of officials, sitting in to monitor the instruction.

Yesterday's coverage on Shanghai

radio and television was the first direct mention in the domestic media of a state of unrest that has swept university campuses in the last three weeks.

The three days of protests in Shanghai, involving tens of thousands of people, were the largest-scale demonstrations.

Student leaders presented demands to Mayor Jiang Zemin for greater democracy and press freedom, a recognition that their marches were legal and guarantees that the demonstrators would not be punished.

Yesterday's crackdown marks a significant change in the authorities' handling of the protests. A city government spokesman said the students had the constitutional right to hold marches and none would be arrested for doing so.

But the New China News Agency on Sunday night accused students of beating up 31 police who asked them to stop blocking a city street at rush hour. It also said hundreds of demonstrators broke into government offices.



Shanghai students carry a sign in English during their protest for democracy at People's Square on Sunday, obviously to attract foreign publicity. (Reuters telephone)

## Iran vows revenge as Iraqi raids kill more than 100

NICOSIA (AP). — Iran claimed that at least 100 civilians were killed and scores wounded in Iraqi air raids on the Western town of Islamabad-e-Gharb yesterday and vowed "revenge in blood" as the two-day death toll from the Iraqi blitz rose to more than 200.

Iran's official Islamic Republic news agency, monitored in Nicosia, said the Iraqi fighter-bombers struck as Iranian artillery pounded Iraqi border towns in a 24-hour bombardment.

That shelling was to avenge air raids Sunday in which 103 civilians were reported killed in the nearby city of Bakhtaran.

The shelling was scheduled to end at 8 p.m. yesterday. But Iran quoted a spokesman for Teheran's War Information Headquarters as saying the bombardment will "not be halted until Iraq's wicked acts end."

A Teheran communique said the heavy long-range shelling "inflicted substantial losses" on "economic,

industrial and military targets."

The communique, quoted by Iran, also reported "considerable Iraqi casualties and losses" in artillery and tank clashes in several sectors of the 733-mile (1,180-km) battlefield in the 6-year-old Gulf war.

Iraq yesterday denied that its warplanes bombed residential districts in Bakhtaran on Sunday. The official Iraqi news agency quoted a military spokesman in Baghdad as saying Sunday's air raids hit only "military targets."

A Baghdad communique claimed that Iraqi warplanes blasted military camps, air bases and other targets around Bakhtaran, also known as Kermanshah, and Shabab, inflicting "huge losses... and leaving them in flames."

Iraq said that 13 of the civilians killed in Bakhtaran were students on their way home from school.

The agency said that government leaders and senior politicians attended yesterday's funeral ceremonies.

## Stormy session in Uruguay parliament

### Human rights violators under military regime amnestied

MONTEVIDEO, Uruguay (AP). — The House of Deputies ended a brawl-marred, overnight debate by approving an amnesty yesterday for most military and police officials accused of human rights violations during the 1973-85 military rule.

The 60-37 vote in favour of the measure, which was approved Sunday by the Senate, averted a showdown between the powerful armed forces and the young government of elected President Julio Sanguinetti.

It was bitterly opposed by the left, and violent demonstrations were held outside the Congressional Palace.

The house vote on the entire bill concluded less than an hour before a scheduled federal court hearing for an army colonel accused of rights abuse. The military had resolved to ignore the court summons.

All but one of the 41 deputies from Sanguinetti's centrist Colorado Party voted in favour of the bill, which also received support from 20 members of the centre-left National Party.

Voting against the amnesty were

one member of the Colorado Party, 13 National Party members, all 21 members of the leftist Broad Front coalition and the small, conservative Civic Union's two members.

An estimated 2,500 leftist demonstrators opposed to the amnesty stoned police vans and smashed Colorado and National Party legislators' cars outside the palace with rocks and crowbars. Riot police eventually dispersed the crowd, which fought back with stones. There were no reports of injuries or arrest.

During the house debate, Broad Front deputies shouted insults at a National Party legislator who spoke in favour of the bill. A Nationalist deputy rushed into the Broad Front section of the house and about 20 legislators began trading punches.

The fracas ended when house leaders called a 30-minute recess.

STRIKES. — Most Paris subway operators walked off the job yesterday joining a strike by railroad and maritime workers that has crippled transport in France in a dispute over wages and changes in job classification.

## 10 years jail for ex-capo

### for ex-capo

BERLIN (AP). — A West Berlin court yesterday convicted a 74-year-old former capo at the Nazis' Mauthausen concentration camp of kicking to death a Polish inmate, and sentenced him to 10 years' imprisonment.

The West Berlin State Court found Otto Heidemann, a German inmate at the camp, guilty of murder in an "especially extreme case" for the beating to death of Polish salesman Jozef Wojdanowski in January 1941 at the Mauthausen camp in Austria.

The court cleared Heidemann of 23 other murder charges because of lack of evidence.

Heidemann, who has been in custody since October 1985, denied the charges and said he had never been a capo. The capos were prisoners who were picked by SS guards to help watch inmates in concentration camps and as a result enjoyed lenient treatment.

Heidemann is in ill health and had to be carried into the court room on a stretcher.

Heidemann was jailed in 1940 for "avoiding work," a felony under the Nazis, and sent to Dachau concentration camp, from which he was later moved to Mauthausen.

## Spanish state lottery spreads \$550m. in Christmas cheer

### Spanish state lottery spreads \$550m. in Christmas cheer

MADRID (Reuters). — A humble home for the elderly and a Spanish immigrant in Australia held windfalls yesterday from Spain's \$550 million Christmas lottery — the world's biggest.

Well-wishers flocked to the home for the aged in Palencia, northern Spain, which won a \$3.7m. share of the lottery's largest prize, known as "El Gordo" (the fat one) and this year worth \$120m.

Jose Nunez Montufo, a Spanish immigrant in Australia, held two of the 65 winning tickets.

"What good news you are giving me," he told Spanish Radio from Myrtleford in the state of Victoria. Montufo said he had distributed the tickets, divided into tenths, to relatives.

There were wild celebrations at an oil refinery in La Coruna in north-

western Spain, where 680 workers bought all the tickets for the second prize of \$57m.

The nation ground to a halt yesterday as children from the San Ildefonso Orphanage spun giant steel drums to select the winning numbers.

Spaniards spent more than \$700m. on the lottery this year. And they take their *Gordo* very seriously, using a mixture of science and superstition, they reserve favoured numbers in advance and often keep numbers in the family for generations.

In 1978, a bank clerk became a millionaire with the same number which 22 years earlier made his father a wealthy man.

The Finance Ministry creams off a healthy 30 per cent of the lottery's takings, which this Christmas is a *Gordo* of its own worth some \$200m.

## The queen pensions off her horse

LONDON (Reuters). — Britain's Queen Elizabeth will no longer review her troops on horseback on her birthday parade because she wants to retire her 23-year-old black mare, Buckingham Palace announced.

In future she will attend the ceremony in a coach, the announcement said, because the 61-year-old monarch does not want to start again with a new horse after riding her mare side-saddle for 18 years.

## BBC World Service — 35 languages 50 years later

Fifty years ago, in May 1936, the British Broadcasting Corporation presented the British government with a list of proposals for a foreign-language broadcasting service to supplement the Empire Service, which had been operating since 1932. Those proposals were accepted, and half a century later, the corporation broadcasts to 120 million listeners in 36 foreign languages.

Now the BBC has given its government sponsors a new sheaf of proposals, this time for a global TV news service.

As the British Foreign Office mulls over this request, The Jerusalem Post takes a look at the work of the BBC External Services in a series of four articles reporting in turn on the history of the service, its news operation, its popular Saturday sports programme, and, finally, its plans for world TV news.

By DAVID BOROWITZ  
Jerusalem Post Correspondent

LONDON. — It is January 3, 1938, and an extremely reluctant British government has finally allowed the BBC to launch its first foreign-language service — the Arabic Service.

Rather unfortunately for the British government, the authorities in Palestine chose that day to execute a Palestinian Arab found guilty of carrying a gun. Naturally enough, the Arabic Service reported the execution.

The Foreign Office was not pleased. "Straight news," it advised the BBC in a terse note that day, "must not be interpreted as includ-

ing news which can do us harm with the people we are addressing."

The BBC ignored the advice, and the independent external services, where "harmful" news was not omitted, were safely on the air.

"The Empire Service had been set up in 1932 for expatriates, not colonials," says BBC press officer Phil Bosley. "The External Services were rather different — a British response to the German and Italian radio propaganda, which had been directed in particular at the Middle East. That's why the Arabic Service was the first on the air."

Spanish and Portuguese followed shortly after, and French, German and Italian were hurriedly added in September 1938 when Prime Minister Neville Chamberlain deemed it desirable that the axis powers hear that he had mobilized the British fleet.

"The service really took off, obviously, with the war," says chief BBC press officer Richard McCarthy. "We had evolved the philosophy that, no matter how unpalatable the truth, we would report accurately — defeats and all. This marked a considerable contrast to the axis powers' approach."

By the end of the war, the corporation was speaking in as many as 45 foreign languages, and its credibility had been firmly established.

The service was given a formal charter in 1946, which guaranteed the BBC "complete discretion as to the content of the programmes," although it was to be government-funded.

The Suez crisis sorely tested that guarantee, as Bosley recalls.

"We had a great up-and-downer in 1956. Then-prime minister (Anthony) Eden could not understand how a public corporation, financed in part by the government, could give public expression to attacks on that government. He threatened to cut off our funds."

The corporation resisted, believing it was only right to report the Labour, Liberal and press opposition to the campaign.

Today, McCarthy says, "Britain's position in the world doesn't justify a Voice of America-type operation — broadcasting along a definite line. So the BBC can act independently, and as such it serves as a benchmark by which listeners can judge the accuracy of other reports they're hearing."

Government criticism has melted in recent years, he notes.

The only problems the government makes today are over funds. "We're now down to 37 languages — including English — while the Russians broadcast in 84, and the Americans are at 60 and rising," says McCarthy.

The Hebrew-language service was dropped some years ago, because more listeners in Israel were tuning to the English than the Hebrew broadcasts. "That's the usual Foreign Office barometer when the future of a language service is up for discussion," says McCarthy.

The other problem in this technical age is jamming. "Argentina jammed our Latin America service during the Falklands, and the Russians are always jamming our Russian-language service," he says.

"The World Service news in English they leave alone. But the iden-



Bush House, home of BBC's external service in London.

tical news items, translated into Russian, they block.

"Russian," they seem to be saying, "is our preserve. You want to broadcast in English? — Fine, most of

our people don't understand it anyway. But broadcasting in Russian, that's an intrusion."

(This is the first in a series of four articles.)

## Bonn probes report experts build missiles for Gaddafi

KARLSRUHE (AP). — Prosecutors said yesterday they are investigating whether West German experts are helping Col. Muammar Gaddafi build and test missiles.

Robert-Dieter Klee, a prosecutor working on the probe, confirmed a report in the weekly magazine *Stern* that the investigation is being conducted by the Karlsruhe prosecutor's office.

He refused, however, to give any details and said the office would issue a statement on the case to the media today.

*Stern* reported this week that West German missile and electronics parts are being shipped to Tripoli, the Libyan capital, camouflaged as "air freight," then transported 700 km.

South to a secret desert construction and test range.

The magazine said electronics experts and engineers from West German research institutes and high-technology concerns are helping the Libyans construct the missiles to replace obsolete Soviet rockets.

*Stern* attributed its report to "documents and records" which it said were also being examined by the Karlsruhe prosecutor's office and West German customs investigators.

West German law forbids weapons dealings with countries engaged in war or other armed conflict. Moreover, Western governments have banned military aid to Libya because of the radical Gaddafi regime's suspected support of terrorism.

They said the suspects were released after interrogation by police

failed to link them and the store of explosives and guns.

The identity of the six, arrested on Thursday after the cache was found in a garage, was not revealed. The owner of the garage, a Syrian dissident named Nazer Kalak, was being sought.

## Paris police release 6 Mid-Eastern suspects

PARIS (AP). — Six people of Middle Eastern origin arrested last week after the discovery of an arms cache outside Paris were released yesterday, authorities said.

They said the suspects were released after interrogation by police

failed to link them and the store of explosives and guns.

The identity of the six, arrested on Thursday after the cache was found in a garage, was not revealed. The owner of the garage, a Syrian dissident named Nazer Kalak, was being sought.

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## This Christmas

Egged will run services for those wishing to travel to the Church of the Nativity in Bethlehem (and return) on Wednesday, December 24.

**EGGED TOURS**

\* Service from JERUSALEM: Egged depot in Talpiot, from 8:00 a.m. to Manger Square, until the end of the celebration (about 3:00 a.m.). Egged routes to the Talpiot depot from the centre of town (and return): 5, 6, 14, 21, 21a — until midnight.  
For the return journey, onward travel from the Talpiot depot, from midnight till 3:00 a.m. — Route No. 6 only, to Jerusalem Central Bus station.

Additional information is available from:  
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Tel Aviv — Tel. 03-432777  
Haifa — Tel. 04-549121

\* In addition, Egged Tours will operate a special route serving hotels in Jerusalem, taking passengers to Bethlehem between 7:30 and 8:00 p.m. (and return).  
Details: Tel. 02-531286

\* Egged Tours service from Tel Aviv — Kikar Atarim to Bethlehem, 7:00 to 7:30 p.m. (and return).  
Details: Tel. 03-242132

\* Egged Tours service from Netanya — Kikar Ha'atzma'ut to Bethlehem, 6:30 to 6:45 p.m. (and return).  
Details: Tel. 053-28333



Canadian TV news special focuses on Jewish-Arab co-existence

## Shot in the arm for Israel's image

By NOMI MORRIS

Special to The Jerusalem Post  
Israel's international image, much battered in recent weeks by the almost daily accounts in the foreign media of violence and unrest in the territories, received a much-needed boost last night when more than a million Canadians tuned in to a television documentary highlighting cooperation between Jews and Arabs.

The Canadian-produced film, *The Twice-Promised Land*, was broadcast on the one of the country's two national television networks, CTV. "With all the negative news that comes out of Israel, we thought it was time someone told the unknown story of those few Jews and Arabs who are working hard to create an atmosphere of peaceful co-existence," said filmmaker David Harel, an Israeli living in Toronto since 1976.

Harel, who won an award for his feature-length documentary, *Raoul Wallenberg: Buried Alive*, teamed up with Mahmud Abu Bakr, a Moslem Arab journalist who works for the Israel Broadcasting Authority, to direct the film. The producers were CTV and the Canadian firm Stornaway Productions.

Billed as a news special and shown in a pre-Christmas prime time slot, *The Twice-Promised Land* features five personal accounts of men and women who have created their own "small peace" in an atmosphere of suspicion, fear and violence. Focusing on Israeli citizens the film steers clear of politics, stressing instead the human dimension of day-to-day interaction between Arabs and Jews.

At a private screening recently in Toronto there was criticism that the film glosses over the region's complex history, summing up 2,000 years in a few words.

"We are not trying to be naive and we are not suggesting solutions. We merely want to show that Jews and Arabs can live together in harmony



Mahmud Abu-Bakr (left) and David Harel (right).

and that many already are," Harel explained.

The documentary opens with scenes of shepherds tending flocks in the Judean Desert and a voice-over telling how Abraham sired both Isaac and Ishmael, the fathers of the Jewish and Arab nations. It then moves to modern day Israel with a series of images, including Israeli soldiers searching Arabs in Jerusalem and Jewish parents grieving at their son's military funeral.

The first person profiled in the film is Yoram Benur, a *Kol Ha'ir* journalist who wandered around Jerusalem disguised as an Arab and then wrote of how he had been treated. Benur, who received international publicity when his experience was reported in the *New York Times*, describes feeling like an unwanted outsider, and tells also of the hostility he encountered — including threats — from fellow Jews after his articles were published.

Paralleling Benur's story is that of

Salwa Nakara-Hadad, an Arab actress who starred in Nissim Dayan's feature film *The Narrow Bridge*, about a love affair between an Arab woman and an Israeli officer serving in the West Bank.

At Nakara-Hadad's on-location interview, as she tells of the opposition she faced from her own community for accepting the role, the viewer sees Arab children starting to throw stones at her.

*The Twice-Promised Land* also shows Ilana Basri — whose Israeli Radio programme *The Doctor Behind the Microphone* is broadcast all over the Middle East — meeting one of her listener patients at the airport as he arrives for eye surgery.

"Sickness knows no borders," she says. In another vignette Pini Aivas a Jew, and Fuad Alian an Arab, joint owners of a garage are shown at work and at home with their families.

"We could not be closer if we were brothers," they say of their 20-year friendship and business association.

And finally, the importance of communication is dramatized through interviews with teachers and students at Netanya's Ulpian Akiva where Jews learn Arabic and Arabs learn Hebrew.

Mahmud Abu Bakr, 42, grew up in a village near Nazareth, then studied political science and sociology at the Hebrew University of Jerusalem. He has been with the Israel Broadcasting Authority since 1968, producing Arab language programmes and now serving as a senior news editor. Last year he produced the film *Barricades* which traces the relationship between a Jewish and an Arab family.

David Harel, 39, was born in Hungary to Holocaust survivors and grew up in Israel. He served as a paratrooper in the Six-Day War. After his brother was captured by the Egyptians during the Yom Kippur War, he became stridently anti-Arab. But after meeting Arabs who spoke out against terrorism, Harel's attitude gradually changed. By the time he and Abu Bakr were introduced by a fellow filmmaker in Toronto, the two men knew they had something in common.

Harel and Abu Bakr are not worried that their documentary exaggerates the scale of Jewish-Arab cooperation. "All one has to do is turn on the evening news to be reminded that peace is a long way off," Harel said. Nor do they harbour any illusions about their film's role in promoting Arab-Jewish contact.

But they "still think this story needs to be told," they said. The film has been acclaimed by the Canadian press. And while some Arabs have criticized it for becoming "emotional" when it "slides into politics," Harel believes that Canadians have recognized the importance of getting this balanced picture.

Producer David Ostrikor is currently marketing the film in North America, and after that will consider selling it in Israel.



Under normal circumstances, the Ramada Renaissance Hotel in Jerusalem is interested in attracting the public to its premises; yesterday, however, the hotel had more visitors than it could handle and management issued orders that only limited numbers at a time would be permitted inside. The occasion was the special handicrafts fair organized by local artisans to aid *The Jerusalem Post* Toy Fund. Hundreds of people, many with babies in arms and toddlers in tow, crowded into the hotel's basement area to purchase toys, balloons, jewelry, clothing, stuffed toys, ceramics, clocks, tapestries and numerous other hand-crafted items. The exhibits which excited the greatest attention were Ethiopian nostalgia sculptures which were the work of Menahem Dankow and Geta Moto, both of whom are studying sculpture in Yeruham. Commenting on the success of the event *Jerusalem Post* Funds director Beverly Black said: "Next year we'll have to charge an entrance fee and get larger premises." The entrance fee is not likely to be a deterrent. Most of those who came last night gave a donation to the Toy Fund in addition to purchasing Hannukkah gifts.

(Photo — Kahanas, Media; Text — Greet Fay Cashman)

Professors propose to keep Israel competitive

## 'Technion needs a revolution'

By YA'ACOV FRIEDLER

HAIFA. — The first shot in a revolution planned for Israel's technological education was fired yesterday by heads of the Technion's Samuel Neaman Institute for Advanced Studies.

They told the press that within five years the Technion must undergo a complete change. This must be done to keep up with the rapid advance of technology and to turn out quality engineers who will be able to create the products that will keep Israel competitive in the 1st century.

Professors Gad Hetzroni, Ze'ev Tadmor and Paul Singer stressed that the change must start in the high schools, which must greatly improve their teaching.

They also stressed that Israel's high school graduates must spend their first year in the universities catching up with the basic sciences. On the contrary, they said, the high schools must take on subjects that are now part of the Technion curriculum.

They announced that next week the Technion will host an international workshop on the future of technological education. It is to be attended by some 20 deans of leading universities in Europe, the U.S., Australia and New Zealand, who will discuss their plans and hammer out proposals.

Unesco has announced that it will send a representative to attend the three-day meeting.

The professors' plans for the Technion, summed up in an interim report, call for a greater emphasis on independent study; much more computer-assisted studies and study of the computer itself; more physics, chemistry and biology and much more mathematics.

They emphasized the need to teach improved communications skills, both oral and written, which at present are "poor," and to teach

more English which is today's international language of technology.

They proposed postponing specialization until the post-graduate stage for about one third of the outstanding students.

They also proposed "continuing education" for all graduates throughout their working life in engineering and technology, with at least a fortnight's concentrated study annually, in order to keep up with rapid advances in their fields.

They held that the quality of technological education must be improved even if it means fewer students, and noted that the "tremendous reservoir" of women fit for a technological career is only just being tapped.

The revolution would obviously entail great changes for the faculty too. The planners were encouraged by a poll taken by the institute which showed the majority of the faculty is ready to adapt to changing needs, and even to have faculty pay scales set according to individual abilities.

## 'Israeli firms depend on continued domination of W. Bank economy'

By JOEL GREENBERG

Jerusalem Post Reporter  
Israel's economic domination of the territories has created interest groups in Israel who have a vital stake in continued control of the areas, according to Prof. Efraim Sivan of the Hebrew University.

In a lecture at a symposium this week on Israel's policy in the territories, Sivan described what he called the overwhelmingly unequal relationship between the economy of Israel and that of the West Bank and Gaza Strip. Statistics showed the great dependence of the territories' undeveloped economy on Israel, he said.

The ratio between the Gross National Product of the territories and that of Israel was 1:12, Sivan said. About 70 per cent of the territories' exports went to Israel, and 90 per cent of its imports came from Israel.

A large part of the territories' exports to Israel were products finished in local subcontracting plants operated by Israeli companies, Sivan said.

Five Israeli firms — Osem, Telma, Tnuva, Kitan and Lodia — dominated the textile and food market in the territories and "leave almost no living space for local industries," he said.

In addition, he said, some 35 per

cent of the West Bank's work force and 45 per cent of that in the Gaza Strip — more than 100,000 persons in all — were employed in Israel.

The dependence of the territories' economy on Israel, Sivan said, had created a major Israeli economic interest in maintaining the current situation. "Objectively, there are pressure groups in Israel for whom this situation is vital for their economic survival," Sivan said.

At the same time he said, both Israel and Jordan had blocked economic projects in the territories which might compete with their industries, such as a cement factory in Hebron and a dairy. Israel's Agricultural Marketing Board had limited exports from the territories to Europe that could compete with Israeli farm products. Jordan permitted the import of only 50 per cent of the West Bank's farm produce.

Israeli manufacturers and farmers thus had a built-in advantage in the territories, where industry was mostly on a small scale, and 90 per cent of all plants employed less than 10 persons. "In the absence of further massive investments, production subsidies and marketing outlets, the economy of the territories is condemned to increasing backwardness in comparison with the two giants (Israel and Jordan) between which it is wedged," Sivan said.

## Jerusalem orchestra's director leaves for greener artistic pastures

By GREER FAY CASHMAN

Jerusalem Post Reporter  
On January 5, the Jerusalem Symphony Orchestra will find itself without a director — the resignation of Fickler, who has been associated with the JSO, with which he has been associated for 30 years.

He decided to leave when "it became obvious" that the Israel Broadcasting Authority gave priority to sports rather than symphonies. He said he could not find a single ear turned to artistic needs in the IBA bureaucracy.

Although he is leaving the orchestra, he will continue working for the IBA, under whose aegis the JSO functions. Fickler will be an editor for Israel Radio's Voice of Music. "That's only because I have a family to support," he says.

No one has yet been named to replace him as JSO director. A committee appointed recently by IBA director-general Uri Porat to look into the orchestra's problems is due to submit its recommendations by mid-January. The report, according to authority spokeswoman Ariel Ravdal, may recommend a successor for Fickler.

Advocating greater independence for the JSO, Fickler says: "You can't lock an artistic institution inside a bureaucratic body and expect it to develop. The aims of both are totally different."

The orchestra would have a much more dazzling future, he believes, if the players were also given responsibility for its management. "This will give them the motivation to be artists. At present, they have the motivation of clerks because the conditions under which they work have forced morale to deteriorate."

Fickler is not a weary fighter withdrawing from the battle. He is simply redirecting his energies where they

will be more effective. Some months ago, he initiated the Jerusalem Soloists, a group of 14 outstanding players who like to make music.

The group started playing last month and is still seeking a permanent home. So far it has enjoyed the patronage of the Dormition Abbey, which has provided both premises and financial support. There are some who question whether an orchestra whose members are all Jewish should be so closely linked to a church. But they should know that Fickler knocked on many other doors, which remained closed.

Fickler's second new project has received a better reception. His dream is to build an oratorio choir in Jerusalem which will one day be on a par with the London Bach Choir, the Choral de Strasbourg or the Berlin Konzert Choir. It is paradoxical he says, that Israel does not have a choir of this calibre, when Israeli audiences so obviously enjoy choral concerts.

The Jerusalem Foundation has provided \$50,000 in seed money for the project and has given him a one-room cottage in Mishkenot Sha'ananim as an office.

What Fickler wants to do first is establish a series of satellite choirs throughout the neighbourhoods of Jerusalem, with each learning the same repertoire. The individual choirs will meet once a week in their respective areas and will all come together once a month at some central location in the city to blend their voices.

The success of the enterprise, says Fickler, does not depend on him, but on the conductors who must be both enthusiastic and charismatic. So far he has signed up two conductors, Jerusalem-born Elisheva Regbi and South American immigrant Oscar Gershenson.

## Pre-Christmas boom in Nazareth

By AWED ABUSINI

Special to The Jerusalem Post  
NAZARETH. — The cash registers are ringing here in a pre-Christmas spending spree which local businessmen describe as an "all-time record."

The streets are packed with thousands of shoppers, mainly Christian residents of this Christian-Moslem town and the surrounding villages, buying gifts for the holiday.

"Business is booming, despite the gloomy economic forecasts," said an elated shopkeeper. "People are spending money as if there was no tomorrow. They obviously want to enjoy this Christmas and worry about the problems afterwards," he said.

The brisk trade was reported by shops selling toys, Christmas decorations, clothes and shoes.

The municipality and shopkeepers have entered into the spirit of the occasion by decorating streets and stores. For the first time, Nazareth's recently renovated main street will be illuminated with festive lights.

The municipality has issued leaflets to all residents, urging them to keep the Christmas spirit and not cause disturbances or litter the streets.

Celebrations will get under way tomorrow, Christmas Eve, with a parade by local residents and scouts

from all over the country through the city to the Basilica of the Annunciation.

This is to be followed by the traditional annual reception, with the participation of Christian religious leaders, including the local head of the Greek Orthodox church, at the Nazareth cinema. Santa Claus is also due to make an appearance at the reception to give away presents.

Bishop Hanna Kaldany, representative of the Latin Patriarch in Israel, will officiate at the High Mass at the Basilica due to start at 9:30 p.m. tomorrow. During the evening, staff of the Nazareth hospital will tour the city carrying lanterns and singing Christmas carols.

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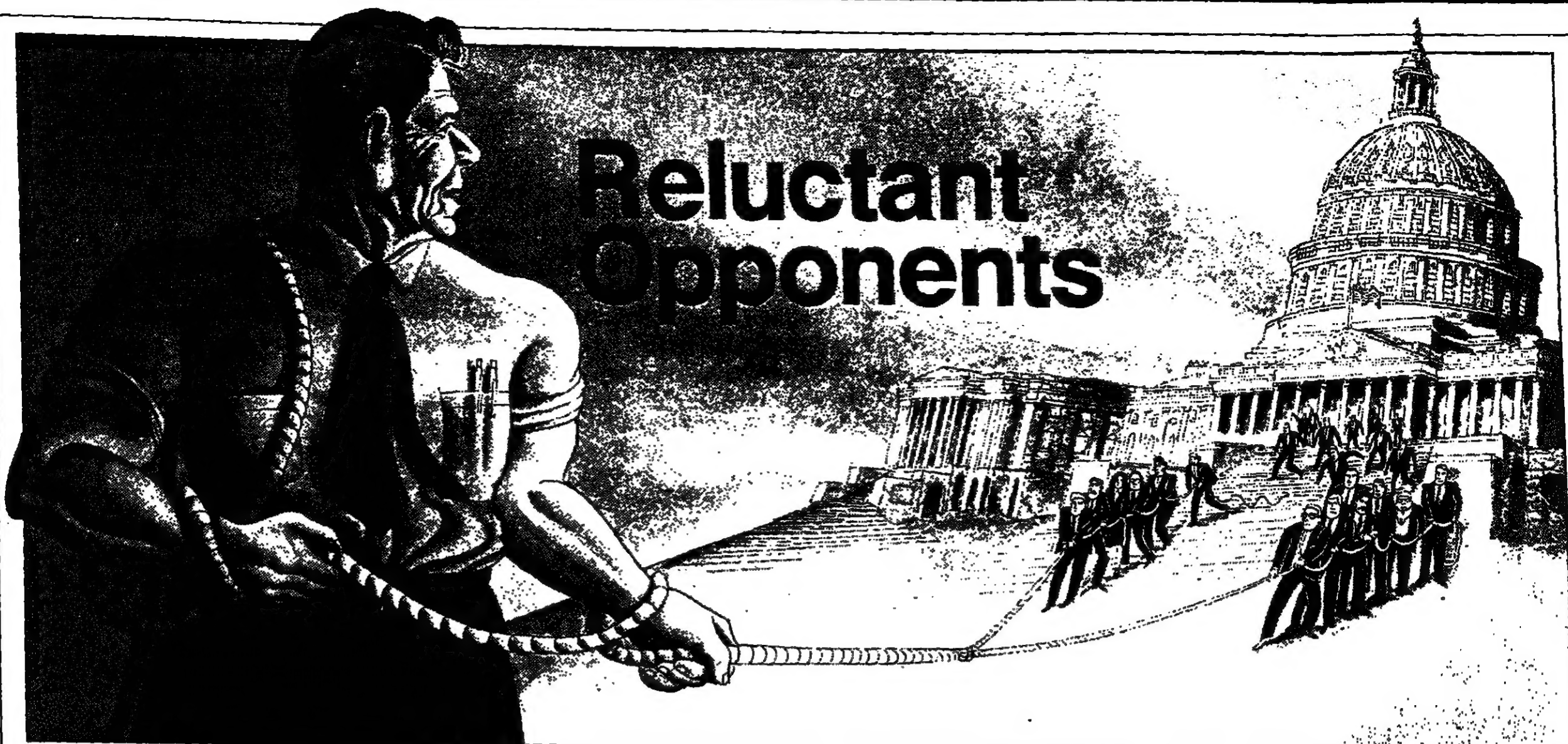
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## Reluctant Opponents

# Congress Stands Ready to Test the Executive

By STEVEN V. ROBERTS

**A** MOOD of frustration and uncertainty gripped the capital last week as three Congressional committees tried unsuccessfully to discover the full story behind the Administration's secret arms deal with Iran. The attempts by investigators to follow all the twists in the tale kept running into the same obstacle: the refusal of the two key players, Vice Adm. John M. Poindexter and Lieut. Col. Oliver L. North, to tell what they know.

At week's end, Representative Lee H. Hamilton of Indiana, the Democrat who heads the House Intelligence Committee, said, "We really don't know the answers to the key questions."

The task of finding those answers now shifts to two select committees, one in each chamber, that were named last week by Congressional leaders. But these panels, which will be formally established when Congress reconvenes in January, will also have responsibilities far broader than the search for specific facts and figures.

By investigating and evaluating a major element of the Administration's foreign policy, the committees represent an important assertion of Congressional influence over the executive branch and threaten to tip the balance of power in Washington toward Capitol Hill. In the course of their inquiries, the committees could have a sizable impact on the final two years of the Reagan Presidency and on the politics of 1988.

The President tried to stanch the hemorrhage of credibility in his Administration by urging Congress to grant immunity to Admiral Poindexter and Colonel North, who have exercised the Fifth Amendment's guarantee against self-incrimination.

"It is my desire to have the full story about Iran come out now — the alleged transfer of funds, the Swiss bank accounts, who was involved — everything," the President said. But even Republicans conceded that his call for immunity was mainly a public relations move. Moreover, Mr. Reagan's closest aides admitted — and national opinion polls confirmed — that the Iran affair had impinged upon one of his most important assets: his talent for inspiring confidence and trust. "Obviously, this has hurt the Presidency," said Donald T. Regan, the White House chief of staff. "But I think he'll recover from it."

Most legislators, whatever their private feelings, expressed reluctance and even sadness as they prepared for the investigations. They had shared the national confidence, certified in the 1984 election, that with Ronald Reagan, the country's string of failed

Presidencies was finally ended. Now they were not so sure.

Representative Hamilton, who was appointed to head the special committee in the House, seemed to reflect the view of many members in both parties: "There's no one who wants to see a Presidency crippled."

Senator Robert C. Byrd of West Virginia, the Democratic leader, said his appointees to the special committee "will not be out to 'get' anybody, but will not be out to protect anybody."

The Republican choices for the committees reflected a basic party split. Both Representative Dick Cheney of Wyoming and Senator Warren Rudman of New Hampshire, who will be the ranking Republicans, seemed determined to demonstrate that their side would not cover up the truth, even at the risk of causing pain in the White House. "We will not shy away from asking difficult questions," Mr. Cheney said.

But Senator Bob Dole of Kansas, the Republican leader, who has Presidential aspirations of his own,

also named Senator Orrin G. Hatch of Utah, a highly combative conservative. Representative Henry J. Hyde of Illinois, a skilled debater and political counterpuncher, was named by the House Republican leader, Robert H. Michel. They can be expected to defend the President and press the committees to complete their work quickly. The closer the inquiries come to 1988, the greater chance they may have of maiming Republican hopes for keeping the White House.

### Who's Who on the Committees

In the Senate, Mr. Byrd picked Daniel K. Inouye of Hawaii, a veteran of the panel that investigated Watergate, to head the inquiry. He added five Democrats who, like the chairman, share strong legal backgrounds, loyalty to him as leader, a passion for precision rather than publicity and an instinct for the political middle ground. "There are no knee-jerks on this committee," said Howell Heflin of Alabama, one of Mr. Byrd's selections.

In the House, Representative Jim Wright of

Texas, who will be Speaker next year, named five senior committee chairmen; most of them would have preferred to conduct their own investigations. The other Republican members are known for their relative youth and energy.

On another track, a panel of Federal judges selected Lawrence E. Walsh, a former president of the American Bar Association and a former Federal judge in Manhattan, as the independent counsel. His job will be to determine what laws have been broken and to prepare any criminal charges.

Other issues that may be examined include whether laws need strengthening, possible weaknesses in the foreign policy process and, perhaps, the substance of the Administration's approach to Iran and other Middle East countries.

How long the inquiries take and how deeply they damage the Presidency will depend on what the investigators discover and how close the trail leads to Mr. Reagan. "It's like reading a book," Mr. Cheney said, "but you don't know whether you're on the first chapter or the last chapter."

## The Week: With Added Twists, a Bizarre Tale Continues

**Sunday:** Nicaragua said Sam Nsley Hall, a self-styled counterterrorist and brother of Representative Tony P. Hall, Democrat of Ohio, had been arrested at an air base near Managua and accused of spying.

Lieut. Col. Oliver L. North, who was dismissed from the National Security Council staff for his role in the sale of arms to Iran and the diversion of funds to the Nicaraguan rebels, was reported to have helped a campaign to defeat Congressional candidates opposed to aid for the contras by collaborating with a conservative lobbyist, Carl R. Channell. No evidence emerged that funds from the arms sales went to the political campaign.

**Monday:** William J. Casey, the Director of Central Intelligence, was hospitalized. A tumor was removed

from his brain Thursday.

**Tuesday:** Donald T. Regan, the White House chief of staff, was said to have told the Senate Intelligence Committee that President Reagan at first rejected selling arms to Iran, but the sales became United States policy after Israel went ahead with arms shipments. His version conflicted with that of Robert C. McFarlane, the former national security adviser, who said the President had given advance approval for the Israeli shipments. A special Senate committee was named to look into the scandal.

**Wednesday:** The Federal Bureau of Investigation is looking into why Attorney General Edwin Meese 3d ordered a delay in an investigation of arms shipments to Nicaragua. The order suggests that he may have

known earlier than he has acknowledged about the diversion of funds.

Secretary of State Shultz told United States ambassadors not to communicate directly with the White House national security adviser unless they had his permission or that of the President.

The House named its Iran scandal committee, nine Democrats and six Republicans, with Representative Lee H. Hamilton, an Indiana Democrat, as chairman.

Eugene Hasenfus, the American cargo handler sentenced to 30 years in a Nicaraguan prison as an arms supplier and spy, was freed by the Sandinista Government.

**Thursday:** The Justice Department said the delay of the F.B.I. inquiry into contra arms shipments had been requested by Vice Adm. John M. Poindexter, who resigned as na-

tional security adviser when the Iran scandal broke.

The department said the admiral had asked Mr. Meese for the delay, saying the investigation could endanger talks on freeing American hostages in Lebanon.

**Friday:** Lawrence E. Walsh, a former prosecutor, Federal judge and Vietnam peace negotiator, was named independent counsel, or special prosecutor, to conduct a criminal investigation into the Iran affair. His broad mandate will allow him to look into arms shipments to Nicaraguan rebels since 1984. "I recognize the importance of what I'm being asked to do," he said.

Vice President Bush suggested that Admiral Poindexter and Colonel North waive their Fifth Amendment rights and "tell us the truth" about the Iran affair.

## Easing Up on Sakharov, Speaking Up on Kazakh Unrest, Starting Up Weapons Tests

By PHILIP TAUBMAN

**F**REEDOM from exile for the dissident physicist Andrei D. Sakharov. The end of the Soviet nuclear testing moratorium. The ouster of a non-Russian Politburo member and the open reporting of a subsequent anti-Russian riot in Soviet Central Asia. These extraordinary events last week reflected the growing power and boldness of Mikhail S. Gorbachev, although the Soviet leader was invisible most of the week.

The rapid-fire developments seemed to distill in an unusually clear way some of the major themes of Mr. Gorbachev's first 20 months in office, including his efforts to enhance Moscow's image, give its diplomacy a new look, induce greater domestic candor and reshuffle the leadership.

The decision to permit Mr. Sakharov to return to Moscow after almost seven years of often-cruel exile in the industrial city of Gorky, where he was sent in 1980 without trial, was striking evidence that Mr. Gorbachev and his Kremlin colleagues want to dispose of prominent human rights cases. Mr. Gorbachev person-



Gennadi V. Kolbin

ally telephoned Mr. Sakharov to break the news, the dissident said. Mr. Sakharov said he had made no promise to stop speaking out on Kremlin policy once he is back in the capital. His wife, Yelena Bonner, who was convicted of anti-Soviet activity in 1984, was pardoned and will return to the capital with her husband.

Diplomats said Mr. Gorbachev, without stating it publicly, seemed to have accepted the longstanding

## Gorbachev Orchestrates New Variations on Soviet Theme

Western argument that there is a link between Moscow's human rights behavior and other issues, such as trade and arms control. Secretary of State George P. Shultz, for example, has stressed repeatedly that human rights performance is tied to progress on arms control, one of Mr. Gorbachev's main concerns. Western analysts said there had been an undeniable improvement in the area of human rights, although serious abuses remain, emigration is generally stalled and the K.G.B., the internal security agency, is still an intimidating force.

Senator Gary Hart, the Colorado Democrat who is expected to seek the 1988 Presidential nomination, met Mr. Gorbachev in Moscow last week and quoted the Soviet leader as having said that the controversy in Washington over Iranian arms sales should not stand in the way of an arms accord before President Rea-

gan leaves office in two years. Another decision announced last week, to resume underground nuclear testing after the first American explosion in 1987, indicated the end of Moscow's unilateral, 17-month testing moratorium, an exercise in Gorbachev-style diplomacy. The Reagan Administration had dismissed the test ban from the beginning as a public relations ploy. But the moratorium gave Moscow the high ground on a symbolic arms-control issue and contributed to anxiety in Congress about American arms policy. Dozens of House members called for a halt to testing last week, and 57 members of the new Senate urged President Reagan to reverse his decision to exceed weapons ceilings set in the unratified 1979 strategic arms limitation treaty.

Mr. Gorbachev's drive to energize foreign policy has been matched by his effort to recast the Kremlin lead-

ership. The removal last week of Dinmukhamed Akhmedovich Kunayev as leader of the Kazakhstan Communist Party after 25 years, presaging his imminent ouster from the Politburo, was the latest move in Mr. Gorbachev's rapid consolidation of power. Since taking office, he has removed hundreds of senior party and Government officials, installing in their places younger, better-educated leaders, many with backgrounds in the defense industry, the most efficient sector of Soviet society.

### Televised Unrest

It was the appointment of one of these men, Gennadi L. Kolbin, an ethnic Russian, as the new party secretary in Kazakhstan that ignited the rioting by hundreds of Kazakh students in Alma-Ata, the Republic's capital. Both Westerners and Russians were stunned when the Gov-

ernment reported the unrest on national television.

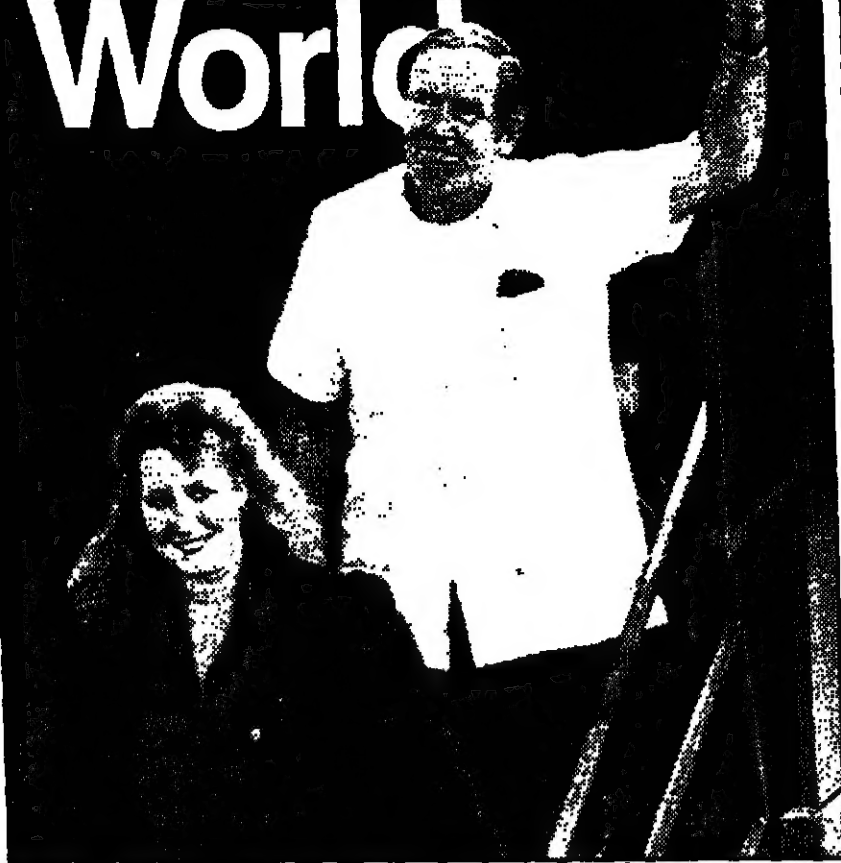
Moscow almost never acknowledges civil disturbances, and the unexpected announcement seemed to be further evidence that Mr. Gorbachev is determined to follow through on his calls for greater "glasnost," or openness. In this case, the Tass report offered the world a rare glimpse of the volatile mix of nationalities in the Soviet Union and the resentment many feel toward ethnic Russians, who dominate the Government and party machinery.

One popular theory in Moscow was that Mr. Gorbachev or his top aides had engineered the Tass account to give Mr. Kolbin a mandate to clean house in Kazakhstan and dismantle the patronage system erected there by Mr. Kunayev. Others speculated that the announcements were part of a more Byzantine scheme in which Mr. Gorbachev and his men were maneuvering with holdovers in the upper echelons of power for an advantage when the Central Committee meets this week.

Whatever the truth, Russians and Westerners found themselves wondering last week where Mr. Gorbachev might strike next — and how far he could go in shaking up the system before risking his own position.



# The World



Eugene Hasenfus and his wife, Sally, arriving in Miami last week.

## Nicaragua Frees Hasenfus, Plans Spy Trial for Hall

Nicaragua evidently decided last week that Eugene Hasenfus would do it more good in Washington than in jail.

President Daniel Ortega Saavedra, announcing a Christmas "gesture of peace," turned the captured American over to a visiting Senator, Christopher J. Dodd, Democrat of Connecticut. The State Department dismissed the release as Sandinista "propaganda." Mr. Dodd said nothing had been promised in exchange for the release.

Congressional aides in Washington said Mr. Hasenfus would be asked to testify early next year in the investigation of unofficial aid to the Nicaraguan rebels, the contras.

That would serve "a better purpose," a Nicaraguan official said, than having Mr. Hasenfus complete the 30-year sentence he received from a people's tribunal. The 45-year-old air cargo handler was captured when his transport plane, loaded with weapons for the contras, was shot down Oct. 5.

While letting one American go last week, the Sandinistas turned to another. They said Sam Nesley Hall, 49 years old, had been captured Dec. 12 outside the Punta Huele military air base near Managua.

Mr. Hall, a brother of Representative Tony Hall, an Ohio Democrat, will be tried as a spy before the same tribunal as Mr. Hasenfus, the Government said. Sam Hall said he worked for "an organization called the Phoenix Battalion, which specializes in intelligence and espionage work," according to the Government.

Interior Minister Tomás Borge said that when he was arrested Mr. Hall was hiding in his socks hand-drawn maps of the base and two strategic towns.

But Enrique Sotelo Borgen, the Nicaraguan lawyer who defended Mr. Hasenfus, was skeptical. "I don't think modern spies carry maps in their socks," he said.

## Bokassa, on Trial, Blames Ex-Aides

Jean-Bedel Bokassa once spent \$50 million to have himself crowned Emperor of the huge, sparsely populated country he had renamed the Central African Empire.

But last week, as he stood trial in Bangui, his former capital, on charges of multiple murders, torture and cannibalism, he lowered his sights.

"I'm not a saint," he said. "I'm just a man like everybody else." Witnesses testified that Mr. Bokassa and his agents had abused and killed their relatives during a 15-year reign of terror.

"Being chief of staff is an extremely thankless job," he protested, insisting that any excesses had been committed by his ministers or when he was out of town.

Celestine M'Bongo, the widow of a former Minister of Public Works, told of the disappearance of her husband, Auguste, whose original misfortune, another witness said, was in having a friend — an airline hostess — who also interested Mr. Bokassa.

Gabriel Boyengombe, a former prison director, said that on orders from Mr. Bokassa he had chained Mr. M'Bongo to the floor and provided a daily food ration limited to a piece of meat and half a glass of water — until Mr. M'Bongo was "almost a dog skeleton ready to die."

The former ruler's lawyers said several of the murders cited by the witnesses were irrelevant because they were not listed in the indictment, which also included charges of beating 14 schoolchildren to death and procuring human bodies for cannibalistic meals.

Mr. Bokassa was deposed in a French-backed coup in 1979 after reports circulated of his brutal behavior and a deal he made offering a military base to Libya.

After seven years in exile, he returned to the Central African Republic in October, evidently expecting a hospitable welcome.

## Britain Decides To Buy American

In an action laden with domestic political and economic consequences, Britain decided last week to cut its losses on a \$1.3 billion attempt to develop a home-grown alternative to the American surveillance and command planes known as Awacs.

Despite nine years of effort, a British version of the plane did not measure up, the Government of Prime Minister Margaret Thatcher announced. Recent tests of the British system in Nimrod planes "fell well short" of performance requirements, said Defense Secretary George Younger.

London will spend close to \$1 billion for six Awacs planes — Boeing 707's loaded with electronic gear — and has options for two more. Boeing has promised to place contracts in Britain that will more than equal the Government's outlay for the planes.

But opposition Labor Party spokesmen insisted that abandoning the Nimrod version would cost the country more than 3,000 jobs in avionics and electronics and forfeit British chances for a portion of a potential market worth \$7 billion.

The debate, which echoes a controversy last winter over the Government's decision to let Americans take over a bankrupt British helicopter manufacturer, is expected to become an issue in national elections due within 15 months.

"The Government has handed Boeing a worldwide monopoly in early warning systems," said Denis Davies, Labor's defense spokesman. France, which has been closely watching the British debate, is also expected to buy Awacs.

## OPEC Reaches An Agreement

A year ago, Saudi Arabia's Sheikh Ahmed Zaki Yamani urged the other members of the Organization of Petroleum Exporting Countries to set off a price war in an attempt to win a bigger share of the world oil market. The result was a precipitous drop in prices, from \$28 a barrel in December 1985 to a low of \$9 in July.

Early yesterday morning, with a new Saudi representative in Geneva, OPEC reversed its strategy, agreeing to cut oil production 7 percent and raise the price to \$18 a barrel.

"For the time being, we are married to \$18 a barrel, but we would not mind if it goes higher," said Riliwanu Lukman, Nigeria's Oil Minister and president of the 13-nation OPEC conference.

Despite an interim quota agreement this summer that helped bring prices now to a range of \$16 to \$17 a barrel, many experts — pointing to, among other things, the divisions between Iran and Iraq — predicted that a long-term accord was unlikely.

Indeed, Iraq's insistence on a production quota equal to that of Iran, its enemy in the Gulf war, delayed the agreement in Geneva for days. In the end, Iraq refused to sign the pact but said it would "cooperate" with the drive for production restraint.

Iran finally relented, delegates said, taking the view that firm and rising oil prices outweighed its desire to force Iraq into the pact.

The agreement appears to reduce OPEC production by one million barrels a day, to roughly 16 million. Hisham M. Nazur, the acting Saudi Oil Minister, put strong pressure on his OPEC colleagues to limit production. Mr. Yamani, who was dismissed by King Fahd this fall, had supported free-market pricing as a way to force higher-cost producers out of the market and stop OPEC members from cheating on their quotas.

James F. Clarity,  
Milt Freudenheim  
and Katherine Roberts

## Crackdown on 'Subversion' Curbs Most News

# Pretoria Is Hoping the Unknown Won't Hurt It

By ALAN COWELL

**S**OUTH AFRICA'S black majority has long been used to being told what it may not do — hold public meetings, for example, or vote on national affairs. But under the newest tightening of emergency rules, blacks and other dissenters were also told what they may not refuse to do — patronize stores, accept the draft, go to school or use the buses that provide apartheid's umbilical link between white-run cities and black labor in the townships.

Under regulations imposed Dec. 11, such activities, their incitement or press reporting of them became "subversive" — punishable by maximum fines of \$9,000 and up to 10 years in jail. Resistance was outlawed, and the residual channels of peaceful protest seemed closed.

That produced its own codes and hungers for news. A Western European news agency representative in Johannesburg said South Africans here had been telephoning to ask what was going on in their country. Perhaps by coincidence, Research Surveys, an independent polling group, said last week that while most whites viewed state-run television as their main source of news, the percentage watching news had dropped from 72 percent to 64 percent. A Research Surveys spokesman suggested that whites may be losing faith in official depictions of the crisis, now in its third year and showing no sign of relenting.

Newspapers sought to come to terms with the harsh censorship. The Star wrote that it may have been censored, but that it was not at liberty to say where or to what extent.

Then came the start of a campaign called "Christmas Against the Emergency." This al-

he or his officials seek to prevent journalists reporting his speech at a public event?

The Dec. 16 anniversary brought other omens. On that day 25 years ago, black guerrillas launched a sabotage campaign regarded as the start of violent struggle. The "Christmas Against the Emergency" campaign started on the anniversary, recalling to blacks a quarter century that has seen few major military advances for the guerrillas but huge increases in official measures to silence their cause.

In imposing the regulations, the authorities

South African press restrictions now prohibit journalists from transmitting without clearance dispatches on any security actions, protests, detentions or "subversive statements."

alliance of protest and labor leaders enjoined blacks to partake in 10 days of symbolic acts — such as lighting candles and ringing church bells — and newly hazardous protest: a boycott of Johannesburg stores. The authorities invoked emergency powers to prevent three newspapers, The Sowetan, City Press and The Weekly Mail, from promoting the campaign.

Others sought to tell a story in ways that, their lawyers said, were lawful. Business Day, the Johannesburg financial daily, spoke of shooting in Soweto by unidentified persons, and youths screaming at people to turn off their lights for no easily discerned reason. Between the lines, the message was that the newspaper was seeking to circumvent the June 12 ban on reporting security force actions and the Dec. 11 prohibition on reports of intimidation in pursuit of political goals. To an uninitiated eye, however, the report may have seemed to convey the mayhem that the authorities were seeking to wish away.

Of greater concern to some commentators was the seeming readiness of some public figures to translate the new rules as a carte blanche to silence the press. On Dec. 16, a day of conflicting anniversaries for blacks and whites, Neil Barnard, the head of the National Intelligence Service, addressed Afrikaners in commemoration of the 1838 defeat by white pioneers of a Zulu army. But he ordered that no one report it.

Asked Business Day: "What on earth is a public servant doing addressing what is essentially a political rally? And in terms of what authority do

cited a "revolutionary onslaught" orchestrated by the outlawed African National Congress. The Congress, said President P.W. Botha, had planned a Christmas-time "expansion of murder, arson and intimidation to white farms, including the laying of land mines" on farm roads.

Yet the silence that has descended meant there was no public yardstick for measuring the purported threat. That seemed to leave the Government answerable only to its own inner contortions, not its constituents and still less the black majority. The mood, perhaps, was summed up by the information chief, Stoffel van der Merwe, when a reporter asked him to prove the authenticity of documents handed to journalists and purporting to be the Congress's operational guidelines: The documents, he said, had come through intelligence channels. As to their authenticity, he went on: "You will just have to take my word for it, these are true extracts from the documents." The new regulations left few other voices to offer a contradiction.



## Washington's 'Go-It-Alone' Tendency Unsettles Some

# For NATO, Political Mood Swings

By JAMES M. MARKHAM

**I**N quick succession, Secretary of Defense Caspar W. Weinberger and Secretary of State George P. Shultz came to NATO headquarters recently to reassure the allies that American foreign policy was on course. But an emerging full-dress debate on the alliance's health and destiny goes well beyond the turmoil in Washington over the Reagan Administration's secret dealings with Iran.

The North Atlantic Treaty Organization, which has kept a peace of unprecedented prosperity for almost four decades, has been through such reappraisals before, and one useful rule of thumb seems to be that NATO is never the shambles its critics contend it is, nor the model of harmony described by its boosters. Its latest strains and tensions arise from what some Europeans see as go-it-alone impulses in the United States and what some Americans consider insufficient burden-sharing by the Europeans. And the mostly out-of-power European left is formulating "alternative defense strategies" which, if implemented, could give a powerful filip to American isolationism.

David M. Abshire, the energetic American Ambassador to NATO, makes a helpful distinction between the well-being of the alliance's military machine and what he calls "the alliance writ large" — the fluctuating political and economic

relationships and moods of the 16 members. Mr. Abshire argues, not surprisingly, that NATO as a military organization is in good shape while conceding that "the alliance writ large" is not. Others, however, confirm that Lord Carrington, the new General Secretary, has infused fresh vigor into the alliance bureaucracy, which has been focusing on such nuts-and-bolts issues as standardizing weapons and stretching a pooled \$340 billion a year. The NATO chief, Gen. Bernard W. Rogers, commands military units from a dozen nations, but it doesn't help him when 10 manufacturers in seven member states are making different anti-tank weapons.

## Worries About U.S. Deficit

For some Europeans, the most formidable threat to NATO is the mammoth American budget deficit. The fear is that Congress will one day come under such pressure to balance the books that it will slash the American military presence in Western Europe, which by various reckonings consumes 40 percent to 60 percent of the Pentagon's budget. (However, such a step would have to be followed by a large-scale demobilization, since it costs almost as much to keep a G.I. in Fort Meade as in Frankfurt.) Such an isolationist leap, it is argued, would become more plausible if bringing-the-boys-home sentiment merged with neoconservative arguments. A recent polemical tract, "NATO Weakens the West," contends that the Europeans are not

shouldering their share of the defense burden and squarely confronting the Soviet threat.

So far, though, the most thoughtful American advocate of troop reductions has reversed course. Senator Sam Nunn, a frequent critic of extravagant military spending who is to be the chairman of the Armed Services Committee next month, has been impressed by the new spirit at NATO. He now approves legislation that will encourage joint weapons research and production between America and its allies. But the Europeans detect other symptoms of an America-first instinct in President Reagan's defense policies — in his vision of a "shield" protecting the United States against Soviet missiles and his expressed willingness to abandon ballistic missiles, which are the ultimate guarantor of nuclear deterrence and the defense of Europe. Other American politicians unnerve the Europeans, too. Senator Gary Hart, a Democratic Presidential aspirant, has suggested that Americans are becoming "the new Romans," with overextended imperial commitments in Germany.

The broadly conservative European governments have been developing the idea of strengthening "the European pillar" of the alliance. Yet some "second pillar" advocates fear that in the United States, the striving for greater European self-assertion will be interpreted as anti-Americanism. Moreover, moving beyond seminar musings and speeches to action implies raising defense budgets, which few governments are ready to do. Even so, steps have been taken to invigorate the seven-nation Western European Union. And France and West Germany are boldly coordinating their defense plans, discussing nuclear targeting, for example, in a dialogue that would have been unthinkable a decade ago.

But European unilateralism — a distorted mirror-image of the American variant — thrives in corners of the European left. Labor's proposals to scrap Britain's nuclear deterrent and remove American cruise missiles and F-111 bombers would, if adopted, be a blow to NATO that could set off bitter recriminations in America. And so-called "alternative defense thinking" entertained by other out-of-power parties like the West German Social Democrats would be hardly less palatable. Some samples: converting the West German military into a militia force and embracing doctrines that would make it and NATO "structurally incapable of attack" — in order to reassure the Russians. If policies like this were adopted in London and Bonn, the NATO debate would become very serious indeed.



NATO troops on maneuver in West Germany this year.



## The Question: How Serious Is an Arab's Murder?

## Weight of Politics, Prejudice Bends the Law in Israel

By THOMAS L. FRIEDMAN

**H**AS there been a decline in the rule of law in Israel?

The question was raised again last week in a case being considered by the Israeli Supreme Court. The case involves a French Jew, William Nakash, who was convicted in absentia in France of the murder of a French Arab.

Mr. Nakash escaped French justice by fleeing to Israel and becoming a citizen. France asked Israel to extradite him. But Justice Minister Avraham Shari' of the Likud party, contending that he had the discretion to ignore the extradition treaty, ordered Mr. Nakash released. If Mr. Nakash were returned to France, Mr. Shari' argued, he would be a target for Arab revenge in prison. Civil rights activists appealed to the Supreme Court, arguing that Israel as a law-abiding nation must hold to its treaty and not harbor Jewish criminals. The court ordered Mr. Nakash held, promising an answer shortly.

For many Israeli legal scholars, however, the Nakash case is part of a disturbing trend. That trend, they argue, began in 1985 with the Jewish terrorists who were convicted of maiming and murdering Arabs but received relatively light sentences, some of which were shortened by Presidential pardons. Then there was the case of the officials of Shin Beth, the domestic intelligence service, who were given hastily arranged pardons after it was revealed that they had murdered two captured Palestinian bus hijackers in 1984. And two weeks ago, Israeli troops killed three stone-throwing Palestinian youths on the West Bank while supposedly shooting at their feet.

In all of these cases, say legal scholars, there was pressure to cut corners or bend the rules a bit. Yet in each case some kind of justice — sometimes only limited — was ultimately meted out to offenders.

The pressures derive first from the fact that secular and religious politicians in Israel have never been able to agree on a constitution or bill of rights. They have reached consensus only on certain "Basic Laws" governing the essential functions of the state, leaving the rest to be adopted from the code in force under British rule.

Without a constitution, ministers have a great deal of discretion in interpreting laws according to their own political interests, and there is also a tendency to change the law when it gets in the way. When the President refused to pardon all the convicted Jewish terrorists, for example, some right-wing parliamentarians tried to pass an amnesty law.

"Since we don't have a constitution, we are bound chronically to live with a situation in which Government officers will try to work against the rule of law when they think this will be in the general welfare of the country and in their own political interest," said one legal expert, Menachem Hofnung.

The second source of pressure to be flexible comes from today's political atmosphere. Decades of conflict with the Arabs have numbed many Israelis when it comes to strictly interpreting the rule of law as it is applied to Arabs. At the same time, a majority of Israelis are Jews who emigrated from countries with no democratic legal traditions. Moreover, since the Likud party came to power in 1977, the nationalist-religious philosophy that the interests of Israel and



**Testing the rule of law**  
William Nakash with his wife, Rina, in Israel (right); Baruch Sharbaf, whose son was sentenced to life in prison for his role in Jewish terrorist activities, at a vigil outside Jerusalem home of Foreign Minister Shimon Peres last week (left); Palestinian students demonstrating outside Bir Zeit University in the West Bank after two students were killed there by Israeli soldiers.



Yaron Kaminsky (Nakash), The New York Times/Micha Bar-Am (right), Sygma/Moda Milner (Bir Zeit)

the Jewish people should transcend all else has gained wide support.

"What is so disturbing now," said Ruth Gavison, a Hebrew University law professor, "is that we are witnessing an intensification of arguments made from a Jewish solidarity point of view to justify clear violations of law — this idea that you should not turn a Jew over to the gentiles. This was used to justify the

Nakash ruling and even to excuse religious hooligans who burned bus stops."

As long as Menachem Begin, who was a stickler for the rule of law, was the head of the rightist coalition, these trends were kept under control, but now that he is gone so, too, are some of the restraints on the nationalist camp. There is a real nostalgia among many legal scholars for Mr. Begin. Even though some

despised him politically, they appreciated his devotion to the rule of law.

Third, there is the problem of the national unity government. The Labor-Likud coalition controls 97 of the 120 seats in the Knesset, and their majority is so large that the parliamentary opposition has been reduced to insignificance. This leads to abuses, since no one in the Cabinet has to worry about a no-confidence vote. At the same time, though, both big parties fear that any day they may need the religious parties to form a new, narrow-majority Government, so they cannot say anything that will alienate them.

"Both large parties are just trying to gain popularity, and so they descend to the lowest common denominator," said Uriel Reichman, dean of the Tel Aviv University Law School. "That is why we have to look up to the Supreme Court, not the politicians, for support."

## Bastion of Liberty

"Every minister knows that what I do today can be before the Supreme Court tomorrow," said Joshua Schoffman of the Association for Civil Rights in Israel. "As a result, the Supreme Court has become the bastion of liberty and the rule of law in Israel today."

What was apparent in the Shin Beth affair, the Jewish terrorists' trial and the Nakash case, said Professor Reichman, "was a violation of the rule of law that had its supporters from a certain group of Israeli society."

"Against them was a strong coalition of the free press, intellectuals and lawyers who fought for the rule of law. Although we were outnumbered in every case, we won, thanks to the Supreme Court."

For now the court seems to be compensating for the weaknesses of the political system. But for how long? Because of the absence of strong constitutional ground rules in the Israeli legal structure, noted Mr. Schoffman, "its well-being is highly dependent on the individuals running it." He added:

"In the past we had the right people in the right places, but that is nothing we can take for granted for the future."

## Ethnic Violence Left 160 Dead Last Week

## Pakistani Riots Are a Symptom of Many Ills

By STEVEN R. WEISMAN

**K**ARACHI, Pakistan — I was shortly before dawn when Pakistani army troops swept through a densely populated slum colony of Afghan refugees in the northern outskirts of Karachi, searching for narcotics and illegal guns.

Two days later, half the city was engulfed in rioting, looting and burning in the most gruesome outbreak of violence among ethnic minorities here since the Hindu-Muslim clashes before independence and the separation from India in 1947.

As military and civilian authorities struggled to regain control, all of Pakistan was shaken by the implications of the riots. The violence represented the coming together of Pakistan's three most pressing problems: ethnic tensions, the debilitating effects of the seven-year-old war in neighboring Afghanistan and a fundamentally weak, corrupt and polarized political system.

These factors could inflame Karachi again at any moment. The immediate effect might be the collapse of the civilian government in the province of Sind, which would be a serious blow to both Prime Minister Mohammed Khan Junejo and his senior partner, President Mohammed Zia ul-Haq. On Saturday, Mr. Junejo disbanded his cabinet and said he would form a new one to cope with the crisis.

American officials watched the situation with mounting concern as the Reagan Administration prepared to submit to Congress its new \$4.02 billion aid package for Pakistan, which is repeatedly characterized in Washington as America's firmest ally in the region.

The violence that began last Sunday left more than 160 dead, hundreds injured and 1,000 people under arrest, including some prominent leaders of Karachi's ethnic communities. At week's end, thousands of army troops and paramilitary police forces were enforcing a curfew. Sporadic incidents continued to flare, but the large-scale rioting seemed to be under control for now.

The spark for the violence was an army raid Dec. 12 at Sohrab Goth, a colony of hovels populated by ethnic Pathans, most of them refugees from Afghanistan. For two decades, Pushtu-speaking Pathan tribespeople have migrated to this port city on the Arabian Sea from their homeland in the Himalayan foothills of the Northwest Fron-



Victim of ethnic rioting being rushed to a hospital in Karachi, Pakistan, last week.

tier province. They came for jobs and now control virtually all trucking and transport here. Law enforcement authorities say they are also the primary participants in the lucrative illegal trade in guns and narcotics.

But among the city's nearly two million Pathans, the raid was seen as an act of harassment in which innocent and guilty alike were uprooted, their homes bulldozed and their belongings confiscated. Pathan spokesmen throughout the country denounced the Government and suggested that Pathans stand up for their rights. Handbills suggested falsely that the Government had plans to expel all Pathans from the city. The result was a series of grotesquely violent Pathan attacks on other

Muslim minority groups in Karachi.

The main victims seemed to be Mohajirs, a subgroup that in 1947 fled from India to what was then East Pakistan and were repatriated to Karachi in 1971, when East Pakistan broke away to become the independent nation of Bangladesh.

Like most violence in South Asia, the Karachi riots stemmed from underlying poverty and deprivation, exacerbated by the fact that Pakistan's economy has begun to falter after several years of growth. But in the view of most analysts, the larger problem is that Pakistan's ethnic and regional minorities have never developed a sense of national identity and unity. Leaders of the Mohajir community point out, for example, that the concept of carving a separate Muslim nation out of the British Empire came from communities inside what is today India. Many scholars say the ideology of Pakistan has never taken root among the impoverished masses of Pathans, Baluchis, Sindhis and Punjabis.

Moreover, the war in Afghanistan has pushed 3 million refugees into Pakistan and produced a huge traffic in narcotics and arms. The arms, mostly funded by the United States and Saudi Arabia, are supposed to pass through on the way to the anti-government forces across the border, but many stay in Pakistan.

## Discontent and Disorder

One result has been a deterioration of public order in much of the country, not only in Karachi but in rural Sind Province, in the southeast. Here in the scrublands and deserts of the Indus River valley, organized groups of heavily armed bandits are increasing. Last summer, widespread public discontent led to violent anti-Government rioting by followers of Benazir Bhutto, the opposition leader, and by people advocating secession from Pakistan. "There is such a tremendous amount of discontent," said Hameeda Khuhro, a history professor at Sind University in Karachi and a leader of the Sind nationalist movement. "The unemployment and resentments are so bad that for most young men the question is: How can we get enough weapons?" She added that the phenomenon of armed bandits could grow into a guerrilla insurgency.

The final factor aggravating the situation here has been the growing inability of the political system to accommodate Pakistan's antagonistic regional, ethnic and political groups, or to produce an honest government following the lifting of martial law by General Zia one year ago.

Some Pakistanis speculate that General Zia could use the crisis to remove Mr. Junejo and perhaps impose a state of emergency justifying massive arrests and internal army deployments. Such an action would jeopardize the White House's attempt to renew American aid to Pakistan as a supposed bulwark of freedom in one of the most turbulent regions of the world.

## Communists Cite Economic Worries

## Southeast Asia's Left Takes a Look Inward

By BARBARA CROSSETTE

**T**O the three Communist nations of Indochina, it has been a season for candid introspection and leadership change.

Such "renewals" are a trademark of ruling Communist parties from Moscow to Havana, a reflection of the difficulty of motivating societies with a centralized economy and an ideology that for the most part admits no heresy. For Vietnam, Cambodia and Laos, the problem is greatly exacerbated by severe economic hardships.

At party congresses in Hanoi last week and in Laos last month, there was an extraordinary outpouring of self-criticism, expressed in usual catchwords such as "shortcomings," "serious mistakes," "selfishness," "laziness" and "corruption." Cambodia, too, has acknowledged its troubles, reshuffling its leadership in the last several weeks.

In Laos, which, like Cambodia, has been drawn into Hanoi's orbit through economic cooperation and the presence of Vietnamese troops and advisers, the Communist Party leader, Kaysone Phomvihane, listed 12 areas — from health to law enforcement — in need of immediate attention.

But the toughest appraisal came from Truong Chinh, the General Secretary of Vietnam's Communist Party, who last week apparently lost a fight to keep his title. At the party congress, he attacked "corrupt phenomena in state machinery" and lashed out at the failure to improve Vietnam's economy or inspire its people in the nearly 12 years since the end of the "American war."

## Source of 'Shortcomings'

"The mistakes and shortcomings committed in the economic field and socioeconomic leadership," he said, "originate from shortcomings made in the party's ideological and organizational activities and cadre work."

All three countries worry that they have inadequate national security. Cambodia and Vietnam, joined in a war against Chinese-backed guerrillas, dismissed their defense ministers. And Laos, while seeking improved ties with neighboring Thailand and, to a lesser degree, China, has called for expanded military conscription and more efficient armed forces.

Amid the criticisms and warnings, there are pleas for "renovation" — better management, more honest accounting, harder work. The leaders argue that nothing is wrong with

the socialist system and blame inept bureaucrats for giving it a bad name.

The turmoil in Indochina is causing concern elsewhere — including Moscow, which remains committed to keeping its allies afloat. In Hanoi last week, Yegor K. Ligachev, a deputy to Mikhail S. Gorbachev, promised to double nonmilitary economic assistance to Vietnam, from about \$1 billion to nearly \$2 billion a year, over the next five years — despite Soviet complaints that its aid was being squandered.

"Moscow attaches great importance to Vietnam," said Thai Quang Trung, a Vietnamese scholar who lives in Paris. "Vietnam's integration with the Soviet bloc has reached the point of no return." Hanoi cannot be allowed to fail, he continued, or to continue to set a sad example for the region. Moreover, diplomats contend, Moscow is determined to keep Hanoi from drifting toward the heretical economic pragmatism of China. Vietnam is an invaluable military outpost for Soviet forces in the East and is critical to Moscow's new diplomatic push into Southeast Asia and the Pacific.

## 'Basket Cases'

Indochina's problems are made starker when contrasted to its non-Communist neighbors. The gap between Indochina and the members of the Association of Southeast Asian Nations — Thailand, the Philippines, Malaysia, Singapore, Indonesia and Brunei — continues to widen, even at a time of their economic slowdown. An economist for a regional United Nations organization in Thailand recently called Vietnam, Laos and Cambodia "the world's new basket cases."

What remedies have the Indochinese leaders proposed? Observers who have studied the Laotian and Vietnamese plans — Cambodia, caught in civil war, is a separate case — say the countries are committed to revitalizing their economies. But experts say this will be attempted in an atmosphere of moderation, curbing both the radicals who want a quicker march to socialism through collectivization and the pragmatists who favor free-market forces.

"Stalinist" economic planning, with its emphasis on heavy industry, will be abandoned, Vietnamese leaders say. Efforts will be made to increase exports outside the socialist bloc and to seek joint ventures. Officials know the restless young are not moved by appeals to sacrifice. "People endure any hardship in time of war," a Vietnamese diplomat said last week. "But in peacetime, their demands become very great."



# The Nation

## Inquiry Into Deaver Lobbying Is Broadened

Michael K. Deaver, who has during the Iran arms sale crisis re-emerged as a key White House adviser, may soon have more troubles of his own to consider.



Whitney North Seymour Jr.

staff and now the proprietor of a multimillion dollar lobbying business.

According to a motion granted by a Federal appeals court, Mr. Deaver's associates "may have obstructed justice, given false testimony or made false statements" in the course of the investigation. The court broadened the jurisdiction of the special prosecutor, Whitney North Seymour Jr., to permit the prosecution of other people and of Mr. Deaver on charges that he lied in Congressional testimony in May.

Mr. Seymour is investigating allegations that in the conduct of his lobbying business Mr. Deaver violated Federal ethics laws that for one year bar former top officials from trying to influence the agencies that once employed them and ban them from ever acting as representatives on matters in which they participated "personally and substantially."

That is the law that another independent counsel may soon be applying to another longtime Reagan aide, Lyn Nofziger, who was White House political director. Administration officials said last week that the Justice Department had decided to seek a special prosecutor to investigate Mr. Nofziger's lobbying work for the Wedtech Corporation. The military contractor in the Bronx, which suspended operations two weeks ago, won a \$21 million Army contract in May 1982 after Mr. Nofziger contacted the White House in its behalf just four months after his resignation from the President's staff.

## Reagan Surgery Is Set for January

On Jan. 5, three days after he returns from a week's vacation in California, President Reagan will undergo surgery to relieve "discomfort" caused by an enlarged prostate, the White House announced last week.

The operation, a transurethral resection of the gland, is one of the most common performed in the United States; the 75-year-old Mr. Reagan had it once before, in 1967. The prostate, a gland surrounding the urethra at the base of the bladder, often becomes enlarged in men over 50 and may become cancerous. Larry Speakes, the White House spokesman, said there was no evidence of malignancy in the President's case.

The procedure will be performed at the same time Mr. Reagan has a routine 18-month examination following up his colon cancer surgery. That test will include a CAT scan, which provides detailed pictures of the brain, lungs, pancreas and other organs, and a colonoscopy, a standard test to determine whether cancer of the intestine has returned. In January and June of this year small polyps discovered in the course such examinations and described as benign were removed from Mr. Reagan's bowel. In 1985, small skin cancers were twice removed from his nose.

The prostate surgery, at the Bethesda Naval Hospital, will be performed by two private urologists who are or have been associated with the Mayo Clinic in Rochester, Minn. Mr. Reagan, who will be given a spinal anesthetic, is not expected to lose consciousness.

## Vast Wilderness Saved in Florida

It has worked to preserve tropical forests in Costa Rica, bison in North Dakota, piping plover and ospreys on Long Island, bluestem grass in Okla-

homa and blueback char, a rare trout, in Maine.

Now the Nature Conservancy, since 1951 a preserver of endangered species and "ecologically significant natural areas," has nearly completed its largest project yet. Florida agreed last week to buy 60 miles of marsh and wooded hummocks on the Gulf Coast from the nonprofit group for nearly \$20 million.

That was the "bargain" price the conservancy paid the land's owner, Buckeye Cellulose, a subsidiary of the Procter & Gamble Company. The company, which has large timber holdings southeast of Tallahassee, will also donate some coastal land to the state to create a 70,000-acre preserve. The area is laced with clear streams and is rich in wildlife, including such endangered or threatened species as West Indian manatees, ospreys, bald eagles and sea turtles.

In addition to holding thousands of acres itself, the private group frequently acts as an intermediary between landowners and government bodies. On Long Island, for example, the Suffolk County Legislature voted in October to have the conservancy act for the county in the purchase of several parcels designated for open space.

Even though the county will pay the group's overhead as well as the land cost, several officials said they believed the conservancy could move more swiftly than the county in dealing with hundreds of landowners and acquiring the increasingly valuable properties.

## A.T. & T. Cuts 27,400 More Jobs

Describing this round as a positive refocusing of strategy rather than a retrenchment, A.T. & T. announced last week its second write-off and its third major set of layoffs since the local telephone companies split from American Telephone & Telegraph in a court-ordered divestiture in 1984.

While the actions were long anticipated, they were more sweeping than many analysts expected. The subtraction of \$3.2 billion from the company's earnings this year and the elimination of 27,400 jobs by 1988, they said, demonstrated again that deregulation can bring hard times to business.

The A.T. & T. that emerged from the break-up of Ma Bell seemed to be in a position to pursue lucrative growth industries in which it had long wanted to be established, such as computers and information processing. But it ran into fierce competition from discount long-distance rivals and stumbled in the new markets, in part because they were softening. A company that A.T. & T. hoped to challenge strongly, the International Business Machines Corporation, itself announced last week a write-off of \$250 million or more.

## LaRouche Aides Face New Charges

Three defendants were added last week to the roster of associates of Lyndon H. LaRouche Jr. who are facing charges in connection with his fund-raising efforts. A Federal grand jury in Boston said the three had conspired to "obstruct and impede" its investigation, which had led to the indictment of 10 individuals, two corporations and three campaign committees.

The earlier indictments, handed up Oct. 6, charged that the LaRouche associates and organizations had bilked more than 1,000 people out of more than \$1 million by making unauthorized charges to their credit cards. Mr. LaRouche, a perennial Presidential candidate whose politics center on conspiracy theories linking Communists, Zionists, drug dealers, Queen Elizabeth II and the Rockefellers, has not been indicted, and his organization has denied any wrongdoing.

The three new defendants, including the treasurer of two of Mr. LaRouche's Presidential campaigns, were accused of taking part in a concerted effort to deny information to the Boston grand jury by shredding documents, moving other defendants out of the Boston area so they could not be questioned and refusing to produce records the jury had subpoenaed.

Thousands of documents were seized in a Federal raid on the LaRouche headquarters in Virginia. Officials have said that those documents will also be perused by Federal investigators based in Alexandria, Va., who have been conducting a year-long inquiry into whether Mr. LaRouche and some of his groups have violated income tax laws.

The Internal Revenue Service was allegedly the target of several members of a right-wing group, the Arizona Patriots, who were arrested in Phoenix last week on charges of planning to blow up an I.R.S. complex in Utah. Federal officials said the group stockpiled weapons, including a homemade mortar, and planned to stage an armored-car robbery to set up a survivalist camp.

Martha A. Miles and Caroline Rand Herron

## G.M., Latest to Feel the Squeeze, Lays Off 30,000

### Challenge from abroad

#### The manufacture of Japanese vehicles in North America

UNITED STATES			Vehicle production, Jan.-Nov., 1986	Vehicle production at full capacity
Manufacturer	Location	First year of production		
Honda	Marysville, Ohio	1982	211,636	360,000
Toyota*	Fremont, Calif.	1984	178,080	250,000
Nissan	Smyrna, Tenn.	1983	156,490	240,000
Mazda	Flat Rock, Mich.	1987	0	240,000
Mitsubishi**	Bloomington, Ill.	1988	0	240,000
Isuzu/Fuji	Lafayette, Ind.	1989	0	120,000
CANADA				
Honda	Barrie, Ontario	1986	600	80,000
Toyota	Cambridge, Ontario	1988	0	50,000
Suzuki/GM	Ingersoll, Ontario	1988	0	50,000

\*joint venture with General Motors

\*\*joint venture with Chrysler

Sources: Ward's Automotive International; Automotive News

#### 1987 and 1988 import models and country of manufacture

Volkswagen Fox	Brazil	Mercury Tracer*	Mexico
Pontiac LeMans	Korea	Dodge Colt*	Thailand
Ford Festiva	Korea	Proton Saga	Malaysia
Mercury Tracer*	Taiwan		

\*sold in Canada

\*\*sold in U.S.

Source: Company reports

Scott MacNeill

## Auto Industry Adjusting To a Painful New Reality

By JOHN HOLUSHA

DETROIT  
**G**ENERAL MOTORS produced another batch of bad news last week. Battered by slumping sales and determined not to return to the generous incentives that led to a whopping third-quarter loss, the automotive giant will temporarily cut production by as much as a third, idling more than 30,000 workers. In addition, 11 facilities employing 29,000 workers will close permanently, starting next year. Although the critics of the closings ranged from labor leaders to R. Ross Perot, the recently ousted member of G.M.'s board, it was widely recognized that most of the plants were obsolete and due for replacement. Most auto industry analysts, and company officials themselves, predicted that this would be only the first and least

painful round of shutdowns as G.M. adjusts to the new realities of the American car market.

The reason for this grim outlook is that the automotive market in the United States resembles a telephone-booth-stuffing contest: Everybody on the outside is trying to crowd in, and the ones already inside are being squeezed.

Despite the lush profits of the last few years, the American auto industry has been in retreat since the second oil crisis in 1979. Under terrible financial pressure, both Ford Motor Company and the Chrysler Corporation reduced their production capacity in the early 1980's. And both have since returned to prosperity, although not to their previous shares of the market. Now it appears to be G.M.'s turn.

The company, whose market share has declined from 39.9 percent in November 1985 to 33.8 percent last month, has already conceded one niche of the market. When production of the

## The Targets, Too, Have Proliferated

## Old Dispute on the MX Erupts Anew

By RICHARD HALLORAN

WASHINGTON  
**T**HE briefing officer at the Strategic Air Command headquarters in Omaha tapped his pointer on a bar graph comparing targets in the Soviet Union to nuclear warheads in the United States arsenal. "To retaliate," he said, "it would take more than double what we have on the ramp now."

Despite President Reagan's multibillion-dollar modernization of strategic forces, begun five years ago, the armed services say the gap between targets and warheads has not been closed. There are more and stronger Soviet targets, and Administration policy decrees that the military be able to hit them repeatedly; in addition, political disputes and technical problems have delayed parts of the President's program.

The number of targets is secret, the briefing officer said, but the Soviet Union has steadily built more land-based and submarine-launched missiles and, for the first time, is building bombers that it could use against targets in the United States. The Kremlin has dispersed and "hardened" command and communications centers by burying them in casings of concrete and steel; what one warhead might have destroyed now would take two or more. Soviet missiles have been made mobile along the Trans-Siberian railway, making them harder to hit.

Finally, the Reagan Administration's policy of being prepared for protracted nuclear warfare demands forces far larger than those needed for one retaliatory strike. The forces must be able to survive sustained attacks with enough warheads to fire back repeatedly. The Administration wants to be able to destroy Soviet leaders in their sanctuaries and Soviet nuclear forces, conventional forces and war industry, more targets than previous Administrations envisioned.

On Friday the White House proposed to develop a way to make its missiles less vulnerable by placing MX missiles on trains that would be kept ready on military bases. In a crisis they would be sent out onto the nation's rail network, where they would be hard to find and destroy.

The announcement reopened a long-running dispute. President Carter proposed in 1979 that 200 missiles be shuttled among 4,000 shelters in Western deserts. Mr. Reagan scoffed at that scheme and canceled it after he took office. For years afterward, the Administration and Congress argued over basing systems for the MX; they compromised last year on 50 missiles deployed in refurbished silos.

Although the White House has not yet asked for more MX missiles, it has already heard from opponents in Congress. In October, 18 members of the House, including Representative Les Aspin, the Wisconsin Democrat who is chairman of the Armed Services Committee, strongly urged the President to be satisfied with last year's compro-



Officers at MX launch control station at Warren Air Force Base, Wyo.

mise. But the Strategic Air Command has found strong Administration support for its view that it needs additional MX missiles if it is to carry out its assignment to hold Soviet targets at risk.

The White House also announced Friday that it would seek to develop a small, mobile missile known as Midgetman, a weapon in which the Pentagon is distinctly disinterested, believing it would cost too much. One Pentagon official was blunt: "I know of no one in this building who wants that thing." But as part of last year's compromise, Congress insisted on consideration of the smaller missile, which would be less vulnerable.

### An Arms Control Message

The White House also had a surprise Friday. Instead of asking for a specific number of MX and Midgetman missiles, the President said in a message clearly addressed to Moscow that later requests would depend on "the Soviet threat and progress reached on arms control agreements." Administration officials have recently appeared to be retreating from the President's Reykjavik proposal to eliminate all nuclear ballistic missiles in 10 years.

Meanwhile, at Warren Air Force Base in Wyoming, the first 10 MX missiles, which have 10 warheads each, are going into silos and will be battle-ready in a few days. Older Minuteman

Chevrolet Chevette stops next Tuesday, it will have given up on making small, thrifty cars. All such cars it offers thereafter will be made in the Far East or under Japanese supervision here.

So-called "voluntary" restrictions have limited automotive imports from Japan for most of the decade. But the restrictions simply induced Japanese manufacturers to build assembly plants in this country. They also opened the way for new entrants, such as the Yugo from Yugoslavia and this year's import sensation, the Hyundai, which is made in Korea and whose base model sells for just \$4,995.

Hyundai is just the first of a wave of cars from overseas, many with familiar nameplates. Next year, Pontiac will sell a LeMans model produced by the Korean conglomerate Daewoo. Ford will market a model called the Festiva made by another Korean company, Kia. Ford has also turned to its affiliate in Taiwan, Ford Lio Ho, to supply Mercury Tracer models to Canada; it will obtain Tracers for the United States from its factory in Hermosillo, Mexico. Chrysler has arranged to import Dodge Colts from an affiliate of its Japanese partner, Mitsubishi, in Thailand. And Malcolm Bricklin, who introduced both the Subaru and the Yugo here, has announced a deal to import a car from Malaysia starting in 1988.

### 'Immigrant' Assembly Lines

Meanwhile, new Japanese-owned factories are sprouting across the United States. Car buyers can already drive home in Hondas made in Ohio, Nissans from Tennessee or Toyota Corollas from California. In a few years Toyota Camrys from Kentucky, Mazdas from Michigan and Mitsubishis from Illinois will be available. By 1990 these new plants, called "immigrants" or "transplants," will be able to pump 1.5 million cars a year into an already crowded market.

Since demand for new cars is growing very slowly, if at all, industry watchers say some companies are bound to lose sales and will be forced to cut output. "The new immigrant plants will almost certainly lead to the closing of six or eight existing assembly plants by the end of the decade," said Ronald A. Glantz, an analyst with Montgomery Securities. G.M., he added, is particularly vulnerable because it did not cut back earlier and because it makes more components internally than do other carmakers.

Since major assembly plants typically employ 3,000 to 5,000 workers, closing six to eight of them would put as many as 40,000 people on unemployment lines immediately. And assembly plants are at the end of a chain of parts producers who would also be affected by the closings.

Of course the new plants will be hiring workers. However, American auto executives and union officials point out that the Japanese facilities do not manufacture but simply assemble cars, largely using parts shipped from Japan. "In a domestic plant, for every assembler working on a car, 11 other jobs flow out of that," said Owen F. Bieber, the president of the United Auto Workers Union. "At a transplant, it's about three."

Top American auto executives, most prominently Lee A. Iacocca, the chairman of Chrysler, have argued that they were forced to seek low-cost cars and parts overseas, even if it meant closing factories at home, by Federal decisions to allow large-scale auto imports and local production of cars with foreign roots. They have support from an unlikely source. Meeting with American reporters recently, Genaro Tauli, the vice chairman of Toyota, said, "United States industrial policy must change." If not, he said, the decline of its industrial base will accelerate.

missiles, with three warheads, are being made more accurate with new guidance systems; new computers are giving them more targeting flexibility.

Progress in strengthening other legs of the nuclear triad has been uneven. In the 15 B-1 bombers now in service, fuel cells leak and electronic jammers, navigational radar and missile launchers do not work properly. The Air Force says the Stealth bomber, intended to evade radar, is on schedule, but that program is so secret no outsiders know. The arming of older B-52 bombers with cruise missiles proceeds on time.

Last Saturday the Navy launched the first submarine that will be outfitted with Trident II ballistic missiles; after extensive sea trials, the Tennessee is to begin patrols at the end of 1989. The first test firing of the missile itself is scheduled for next month at Cape Canaveral.

The Pentagon has more than half finished a \$20-billion plan to improve communications from the President to the nuclear forces. On Thursday, Vice Adm. Bruce DeMars, who heads the Navy's submarine program, took delivery of a new Boeing plane that will relay messages to submerged submarines. In the process, Admiral DeMars scrapped the plane's original acronym, TACAMO — for Take Charge And Move Out — and renamed it Hermes, for the Greek god who carried other gods' messages.



# New Life for a 'Lame Duck'

In the wake of its problems with Iran, the White House may need Paul Volcker.

By ROBERT D. HERSHEY JR.

UNTIL about six weeks ago, those who profess to know who's who in this town said that Paul A. Volcker had become a lame duck — a man whose chances of being reappointed head of the Federal Reserve had fallen well below 50-50 and who had begun to weigh seriously some of the juicy seven-figure-a-year offers dangling before him.

Some observers even said they detected a certain detachment in Mr. Volcker's performance in the world's mightiest financial job. He had, they said, not engaged in the subtle lobbying that would have signaled his eagerness to remain in power.

Mr. Volcker's departure, in many eyes, would be a sharp blow to confidence in American economic policy making and could lead, among other things, to a run on the dollar. Like two of his modern predecessors, William McChesney Martin Jr. and Arthur F. Burns, Mr. Volcker has come to be seen as an almost impossibly tough act to follow.

But in the wake of the Administration's problems over selling arms to Iran, the odds seem to have shifted abruptly. Mr. Volcker now appears at least as likely to stay as to go, prompting many on Wall Street and in central banks and ministries around the world to heave some tentative sighs of relief.

"Given what's happening in Washington, his chances of being reappointed are probably pretty good," asserts Sam Nakagawa, head of the economic advisory firm of Nakagawa & Wallace Inc. "You could even have a situation in which the White House needs Volcker more than he wants to stay."

William F. Ford, former president of the Federal Reserve Bank of Atlanta and now a savings and loan executive, agreed. "The odds are good he'll be around," he declared.

The will-he-or-won't-he speculation about the Fed leader heated up last week with the resignation of Henry C. Wallach, the longest-serving of the Federal Reserve Board's seven members, who has been ill for a year. Mr. Wallach and Emmett J. Rice, who is also retiring from the board this month, have been Mr. Volcker's stoutest anti-inflation allies.

Some of Mr. Volcker's strongest admirers, while hoping he remains on the job, believe that he might be wise "to declare victory," as one put it, "and leave town." For one thing, they say, the current economic situation is about as good as it's going to get for a while. Down the line, a crisis could erupt from the heavy trade deficit or the budget deficit or from the buildup of third world debt. Why not, then, use this relatively calm moment, they say, to turn over the reins to someone else, perhaps Secretary of State George P. Shultz or Wall Street consultant Alan Greenspan, who served as chairman of the Council of Economic Advisers in the mid-70's.

It seems odd, at least on the face of it, that the Reagan Administration would even think of saying farewell to the man most responsible for the pre-eminent economic achievement of the past six years, one that Republicans are sure to boast about in the election of 1988.

Although the nation paid the price of a major recession, Mr. Volcker's Fed has managed to chop double-digit inflation by two-thirds and preside over a business expansion now entering its fifth year.

"They delivered him the wild horse of raging inflation and he turned it into a household pet," said Richard B. Hoey, chief economist at Drexel Burnham Lambert.

There are various reasons, however, why the Administration is not eager to reappoint Mr. Volcker chairman. One is that he is a nominal Democrat, first named to the board by President Jimmy Carter, and a vigorous anti-inflationist who might be unwilling to provide enough money to finance a pre-election boom.

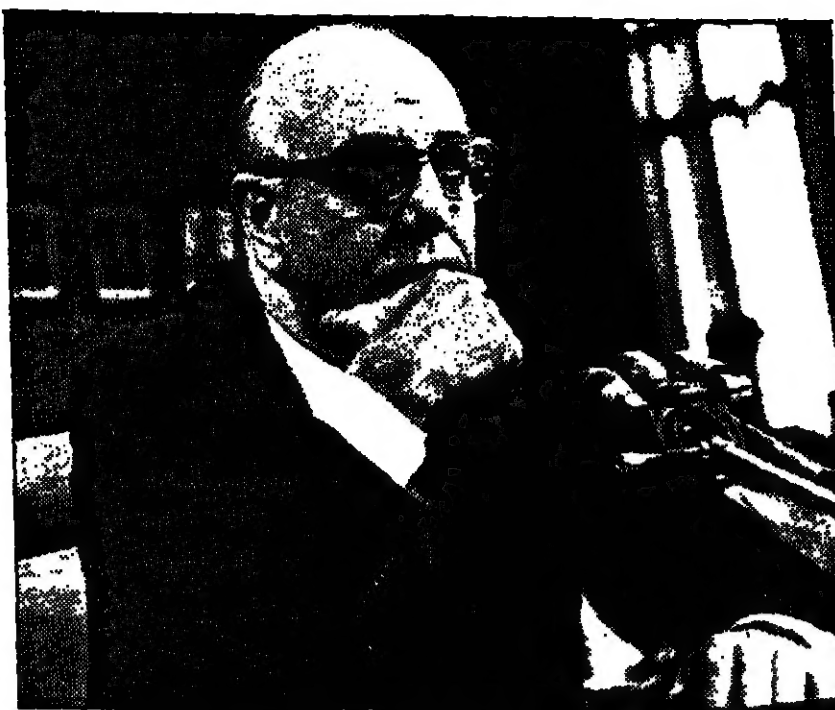
"Volcker is just not part of their team," observed one politically astute banker. While Fed chairmen are not formal members of any "team," the central bank has never been entirely immune from political pressures of the day.

A second argument against reappointment is that Mr. Volcker is not the committed deregulator of financial markets that many conservatives would like. He constantly worries, for example, that a fragmentation of the financial system would make it more vulnerable to shocks.

A third argument against reappointment is that Donald T. Regan, the President's chief of staff is known not to like him.

But the latter problem may have become irrelevant in recent weeks. Mr. Regan appears to be badly wounded by the Iran arms disclosures, and could be departing himself. If he stays, Mr. Regan is less likely to be the deciding voice either in filling the two immediate vacancies on the Fed board or in the chairmanship itself.

The result, many believe, could be a desire by an embattled President to keep Mr. Volcker on, with Mr. Regan unable to prevent it.



Paul A. Volcker, chairman of the Federal Reserve Board.

"Volcker stands as a symbol of real integrity," asserted Robert V. Roosa, a former Fed and Kennedy Administration official. The world financial system is "just brittle enough" to require a Fed chief of unquestioned rectitude and of proven international stature, Mr. Roosa observed, and few candidates seem to fill the bill.

Yet the Administration may have a tough job convincing Washington's most powerful economist to stay at a post that he has relished since 1978. One friend reports that Mr. Volcker, who will turn 60 in September, is "struggling" with the decision.

Throughout his career, Mr. Volcker has seemed almost oblivious to the financial blandishments of the private sector. At the pinnacle of world finance he earns a relatively paltry \$75,100 a year. In the private sector he could easily command 20 times that, or more. He is clearly aware of the monetary sacrifice he has made — one source says he even refuses presents of fine cigars for fear he'll become hooked on higher-quality smokes than his 30-cent Antonio V. Cleopatra Grenadiers. He may be tiring of his spartan rumpled-suit-and-spaghetti life style and the drain of maintaining households in Washington for himself and in New York for his ailing wife.

One intimate says he has personally relayed to Mr. Volcker two propositions offering what he called "unbelievable" compensation. One would pay \$2 million for a year of lecturing; the other would combine an investment firm partnership with a

university professorship. The friend reports, however, that Mr. Volcker offered in response a "Buddha expression" that gave no hint of his intentions.

Some say they already detect a certain disengagement by Mr. Volcker. "Paul seems somewhat more distant from the job today than I've ever seen him before," a senior New York bank economist commented. "You can build a case that he assumes — or knows — he's going and he's already started his preparations for leaving."

Some observers say that a major factor in his decision would be Mr. Volcker's relations with the board. As of Jan. 1, all the other governors will have been chosen by President Reagan (see box).

But Fed watchers say the chances are small that serious intramural friction will erupt. If it did, Mr. Volcker would almost certainly continue to dominate the Federal Open Market Committee, a 12-member body that sets monetary policy.

At the first hint that Mr. Volcker might leave, intense speculation began to arise as to who might take his place. A survey of 371 investment decision makers taken by Drexel Burnham's Mr. Hoey last month before the Iran controversy heated up ranked E. Gerald Corrigan, the Volcker protégé who is president of the Federal Reserve Bank of New York, as the man in whom they had the "most confidence" as successor.

Mr. Corrigan was favored by 26.2 percent of the respondents, followed

by Mr. Greenspan, president of Townsend-Greenspan Inc., with 18.4 percent and Treasury Secretary James A. Baker 3d with 8.9 percent.

However, when asked to name the most likely successor, the group listed Fed vice chairman Manuel H. Johnson, followed by Mr. Baker, Mr. Greenspan and Mr. Regan. Mr. Corrigan ranked fifth.

Those who know Mr. Baker best insist that he has no interest in the job. Washington hands, in fact, believe a more likely choice — provided that Mr. Johnson does not become the first No. 2 to be elevated — is Mr. Shultz. This assumes both that Mr. Shultz, an economist by training, is not tainted by the Iran arms episode and that he is willing, at age 65, to take the post.

A dark horse is Paul W. McCracken, a former Fed official and a chief economic adviser to former President Nixon. He will turn 70 this week. Whether a post-Volcker Federal Reserve would prove much different from today's central bank is almost pure conjecture.

"As far as monetary policy goes, the answer is flatly no," declared a top former Fed official. But others disagree, suggesting that Mr. Johnson, for one, would probably be inclined toward faster money expansion than Mr. Volcker. The latter is known to believe that 3 percent annual economic growth is quite acceptable in current circumstances, while the Reagan appointees tend to think this too modest a goal.

But many, including Mickey D. Levy, an economist at Philadelphia's Fidelity Bank, put little stock in such neat characterizations. "The Federal Reserve," he declared, is "very human" both in the independence of its members and in their tendency to be heavily influenced by the latest economic statistics.

The biggest change, many say, could come in the Fed's approach to its role as supervisor. Mr. Volcker has resisted proposed liberalization in banking powers, arguing that a further blurring of the distinction between commercial and investment banking, for example, risked the integrity of the financial structure.

Of this, the former top Fed official declared: "A new chairman might have a very different attitude, might seek to break new ground."

It is also possible, if reappointment is offered to Mr. Volcker, that his decision could hinge on his assessment of the caliber, rather than the economic views, of the other board members. One key is the identity of the two new members to be designated shortly. One vacancy is reported likely to be filled by either George W. Douglas, a former commissioner of the Federal Trade Commission, or Edward M. Kelley, a Houston businessman.

## REAGAN'S 'GANG OF FOUR'

Last February, when Reagan-appointed governors became a majority on the Federal Reserve Board, there was much speculation that this Gang of Four would vote as a bloc for stepped-up expansion in the money supply. The foursome is generally more optimistic than its colleagues about how fast the economy can expand without running the risk of rekindling an outbreak of unacceptably high inflation.

However, policy making seems to have been little affected by the Gang's arrival. Dissenting votes

have been rare and, according to Fed watchers, there has never been a 4-3 decision along the presumed "ideological" lines.

Yet the possibility remains that Paul A. Volcker, whose second term as chairman runs out next August, could yet find himself in an untenable position because of changes in the board's composition. When President Reagan's choices to succeed the departing Henry C. Wallach and Emmett J. Rice are installed next year, Mr. Volcker will be facing, in theory at least, a Gang of Six.



Manuel H. Johnson

Elevated to vice chairman of the board in August 1986, six months after becoming a governor. Age 37. Usually called Manley. An ardent supply-sider while serving in the Reagan Treasury, he has played down or perhaps even modified his views since moving to the Fed. Said to have proven "responsible" and properly respectful of Fed traditions. Despite his youth, insiders say he has a shot at succeeding Mr. Volcker, although the No. 2 job has never been considered a steppingstone. A native of Troy, Ala. Earned a Ph.D. in economics at Florida State University in 1977. Taught economics at George Mason University. At Treasury, helped formulate economic policy and played a big role in designing the Economic Recovery Tax Act of 1981. Author of four books and has wide experience as a consultant. His term as governor expires in the year 2000.



Wayne D. Angell

A Kansas native who owes his seat to support by Senator Bob Dole. Age 56. Once emphasized "pro-growth" but now talks anti-inflation. Early outspokenness on the need to counter the depression in farming led some to see him as soft on inflation. Took a gamble soon after joining the board by voting against Mr. Volcker on timing of a discount-rate cut. Is a partner in a 3,300-acre Kansas farm. Ph.D. from University of Kansas. Longtime economics teacher at Ottawa (Kansas) University. Six years as member of the state House of Representatives. Sworn in on Feb. 7, 1986, to fill an unexpired term ending in January 1994.



Martha R. Seger

she survived a harrowing year-long struggle for confirmation. Has published little, but describes her views as "eclectic." After serving as a Fed staffer in Washington and Chicago, spent 10 years as a commercial banker, including a stint as chief economist for the National Bank of Detroit. Close ties to the automobile business. Shortly after becoming governor, she made a highly publicized complaint that Mr. Volcker was running the Fed like a dictator. Ph.D. from the University of Michigan, where she was a protégé of Paul McCracken. Installed in July 1984 to a full 14-year term.



H. Robert Heller

The newest governor, only four months in office, he provides international expertise to fill the gap left by the resignation last week of Henry C. Wallach. Age 46. Born in Cologne, Germany, he came to the United States shortly after high school — and still marvels at his rise in the American financial establishment. A Ph.D. from the University of Minnesota, he taught at the Universities of California and Hawaii, spent four years at the International Monetary Fund. Head of international research for Bank of America just before joining the board. Witty and urbane, well-connected with European central bankers. Filling an unexpired term that runs to 1996.

# The Economy

## WEEK IN BUSINESS

### A Merger Mania Hits Texas Banks

Chemical New York will buy Texas Commerce in one of the biggest banking acquisitions ever. Chemical's offer consists of \$7 a share in cash and a diverse array of securities, with an estimated total value of \$1.19 billion. Many analysts credited Chemical's chairman, Walter V. Shipley, with a courageous move that, they say, may turn out to be brilliant.

Two other Texas banks merged just one day later. Republicbank, the second-largest in the state, agreed to acquire the troubled Interfirst for a package of stock and notes that Republicbank put at \$371 million.

First Interstate was called "reckless," in its merger attempt by A. W. Clausen, BankAmerica's chairman. First Interstate, meanwhile, sought S.E.C. permission to go forward with its offer of \$21 a share in securities.

Housing starts fell 1.8 percent in November to the lowest rate of building since October 1984. Nevertheless, construction of new homes and apartments for the first 11 months of 1986 are still 4.4 percent ahead of the same period in 1985. ... The Consumer Price Index climbed three-tenths of 1 percent in November ... Industrial production rose six-tenths of 1 percent last month. ... The percentage of industrial capacity in use also rose in November, to 79.3 percent, a gain of three-tenths of a percentage point. ... G.N.P. growth for the July-September quarter was revised downward to 2.8 percent, from 2.9 percent. ... The third quarter trade deficit reached an all-time high of \$36.28 billion.

A.T.&T. will cut 27,400 jobs, 8.5 percent of its work force, by 1988 and take a \$3.2 billion charge against earnings in one of the largest write-downs ever. The ensuing quarterly loss is expected to wipe out the company's profits for 1986.

I.B.M., meanwhile, will write down \$250 million or more this quarter. Honeywell will charge off \$575 million, and Control Data's write-down will be \$200 million.

Trading was furious in the stock market at the "triple witching hour" on Friday, when almost 244.7 million shares traded, a record for one day. For the week the Dow gained 16.59, to close at 1,928.85. In the credit markets, year-end technical factors boosted short-term rates, but there was little change in long-term rates.

John Z. DeLorean was acquitted by a Federal Court jury in Detroit of embezzling some \$8.5 million from investors in the short-lived company that built a futuristic sports car.

G.M. will cut production by closing nine assembly plants temporarily and furloughing 26,400 workers in January, most for two weeks.

The Big Board asked the S.E.C. to allow it to list companies with more than one class of stock, as the Amex and over-the-counter markets do.

Lear Siegler will go private in a buyout by Forstmann Little and its own management. The deal, which follows weeks of on again, off again



Walter V. Shipley of Chemical New York

arrangements with a number of suitors, is worth about \$2.1 billion.

OPEC ministers inched closer to an agreement on reduced oil production intended to push prices up to \$18 a barrel, but it appeared that any accord would exempt Iraq.

The two top officers resigned from L. F. Rothschild, Unterberg, Towbin and agreed to sell back their shares in a disagreement with the board on the firm's future direction.

Losses approach \$2 billion for Wall Street's arbitrageurs in the wake of the Ivan F. Boesky insider-trading scandal, leading arbitrageurs said.

The I.M.F.'s board chose Michel Camdessus, head of the French central bank, as managing director.

### John deButts (1915-1986)



Up until his death, John D. deButts, the former chairman of A.T.&T., fervently believed in the Bell telephone system.

Early in his 42-year-career with the telecommunications giant, he won notice for a position paper defending the company's monopoly, and he maintained that stance throughout his career, which ended with a seven-year term as chairman.

Mr. deButts is credited with improving A.T.&T.'s performance in what he called "plain old telephone service," while introducing sweeping technological advances. He agreed to an early retirement in 1979 after it became clear that the divestiture of the Bell companies was inevitable.

That breakup, he predicted, would produce higher prices and deterioration in service.

## The New York Stock Exchange

### MOST ACTIVE STOCKS

WEEK ENDED DECEMBER 19, 1986

(Consolidated)

Company Sales Last Net Chng

AT&T 24,757,500 25 1/4 - 1/4

Navist 10,306,600 4 1/4 - 1/4

IBM 8,562,700 12 1/2 - 1/4

USX 8,311,400 21 1/4 + 1/4

Cmw E 8,212,300 35 + 1/4

Exxon 8,033,400 72 1/4 + 1/4

G Mot 7,759,900 86 1/2 - 3/4

Pan Am 7,722,200 4 1/4 - 3/4

Gen El 6,407,800 87 1/4 + 3/4

Am Exp 6,320,000 59 1/4 + 1/4

Mobil 5,972,900 40 1/4 + 1/4

Sears 5,676,200 41 1/4 - 1/4

Lil Co 5,620,300 11 1/4 - 1/4

Arch D 5,493,800 18 1/4 - 1/4

Phil Pet 5,224,900 11 1/4 + 1/4

Standard & Poor's

400 Indust 278.0 272.5 277.9 +2.83

20 Transp 205.9 201.5 204.7 +1.29

40 Util 116.4 113.4 116.2 +1.83

40 Financial 28.2 27.6 28.0 +0.10

500 Stocks 250.0 244.9 249.7 +2.38

Dow Jones

30 Indust 1942.9 1887.0 1928.8 +16.59

20 Transp 838.8 819.6 835.8 +1.11

15 Util 213.1 206.7 212.0 +2.42

65 Comb 759.2 738.6 754.7 +5.18

The American Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED DEC. 19, 1986

(Consolidated)

Company Sales Last Net Chng

Wicks 3,843,400 3 1/4 - 1/4

LoTel 2,410,900 16 1/4 - 1/4

Taiwan 2,045,200 17 1/4 - 1/4

Wang 1,546,800 12 1/2 - 1/4

BAT 1,123,000 6 9/16 +1/16

NY Times 1,015,900 38 1/2 + 2

Hasbr 844,200 20 1/2 - 1/4

TexAir 753,400 35 1/2 - 1/4

ImpOil 691,500 36 1/4 + 1/4

FAusPn 677,400 9 1/4 - 1/4

MARKET DIARY

Advances 1,065 806

Declines 929 1,367

Total Issues 2,244 2,234

New Highs 70 77

New Lows 144 108

VOLUME

(4 P.M. New York Close)

Total Sales 853,819,002 34,823,878,448

Same Per. 1985 - 767,184,740 26,976,109,543

WEEK'S MARKET AVERAGES

High Low Last Change

New York Stock Exchange

Indust 164.7 161.4 164.7 +1.74

Transp 121.0 119.3 121.0 +0.32

Util 76.6 75.2 76.1 +0.24

Finance 145.6 142.9 144.2 -0.25

Composite 142.8 140.2 142.6 +1.12

MARKET DIARY

Advances 275 251

Declines 469 499

Unchanged 187 178

Total Issues 931 928

New Highs 20 33

New Lows 102 91

VOLUME

(4 P.M. New York Close)

Total Sales 64,103,920 2,868,336,094

Same Per. 1985 - 63,870,240 2,040,586,725



# The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935  
ARTHUR HAYS SULZBERGER, Publisher 1935-1961  
ORVILLE D. DRYFOOS, Publisher 1961-1986

ARTHUR OCHS SULZBERGER, Publisher  
MAX FRANKEL, Executive Editor  
ARTHUR GILB, Managing Editor  
JAMES L. CHURCHILL, Assistant Managing Editor  
JIM K. ROSENTHAL, Editorial Page Editor  
LORNE H. GILB, Deputy Editorial Page Editor  
A.M. ROSENTHAL, Associate Editor  
LANCE R. PRIMES, Exec. V.P., General Manager  
RUSSELL T. LEWIS, Sr. V.P., Circulation  
J.A. RIGGS JR., Sr. V.P., Operations  
HOWARD RISHOW, V.P., Employee Relations  
BRUCE G. LINKER JR., V.P., Advertising  
JOHN M. O'BRIEN, V.P., Controller  
ELINE J. ROSS, V.P., Systems

## Where to Fight Communism

Forget, for a moment, all the unknowns about the Iran-contra scandal. What cries out for debate is well known — that Ronald Reagan's passionate crusade against Communism is the engine that has powered the Oliver Norths of his Administration.

Never is the President's fervor more intense than when he gazes southward to Nicaragua, seeing a people "trapped in a totalitarian dungeon, trapped by a military dictatorship that oppresses, impoverishes them, while its rulers live in privileged and protected luxury and openly boast their revolution will spread."

Out of this zeal, the President fashioned what others call the Reagan Doctrine, a philosophy that seeks to justify global interventionism by irregular means. Even illegal means, according to Patrick Buchanan, the President's bulldog, who sees little wrong with using Iranian gold to arm contra rebels in Nicaragua, no matter what Congress says.

That kind of ardor inspired the present crisis. Learning from it calls for a cooler look at Mr. Reagan's contentious doctrine.

Here is how he expounded it in February 1985: "We must stand by all our democratic allies. And we must not break faith with those who are risking their lives on every continent, from Afghanistan to Nicaragua, to defy Soviet-supported aggression and secure rights which have been ours from birth."

What on earth is wrong with that posture? It accords with John Kennedy's famous promise to bear any burden, pay any price. Interventionism is as old as the Republic, and trying to influence other nations' affairs is the essence of foreign policy. Mr. Reagan's goal, however, is not merely to contain Communism but to roll it back. Like all Presidential doctrines, beginning with Monroe's, this one smooths realities around the world and stifles debate at home.

The doctrine ducks the vital tests of where and

how the United States should feel justified in using irregular military means. Some tests are plain:

Where security stakes are vital.  
Where diplomacy seems bound to fail, or when rapid response is required.  
Where those being helped are worthy of help.  
Where there is a prospect of success.  
Where other friendly states support the action.  
Where American opinion will give the President the benefit of the doubt.

Afghanistan is an instructive case: it meets all the tests. The Soviet invasion of this nonaligned Moslem neighbor in 1979 threatened a subcontinent. The resistance is home-grown and courageous. Many states support it. So does American opinion. And without covert assistance to Afghan guerrillas, there'd be far less incentive for the Russians to negotiate withdrawal.

But justifying action is not so simple elsewhere in a messy, complex world. So messy that in the case of hostile Iran, American weapons were sold not to armed insurgents but to a tyranny trying to subvert friendly Gulf states. So complex that in Angola, Washington is arming tribal-based insurgents while Cubans, of all people, protect American oil facilities. And in neighboring Mozambique, Washington favors a Marxist regime very like Angola's and opposes a rightist rebellion armed by the same South Africa that arms Angolan rebels.

How do the tests apply to Nicaragua? Americans see an endless, cruel war — in which Latin states fear both sides. People wonder how seriously Mr. Reagan has pursued negotiations, how deeply the Russians have penetrated Nicaragua and how worthy the contras are. Above all, the public remains unpersuaded that vital U.S. interests are sufficiently imperiled to offset the other tests.

Some on Mr. Reagan's right hear their master's voice and zealously charge off to war. What is missing, what is missing, is a set of tough tests that can turn easy passion into sustainable policy.

## Correct the Federal Pay Gouge

In 1969, a member of the President's Cabinet was paid \$60,000. Today the figure is \$86,200. That's nominally a 44 percent increase, but because of inflation it's worth 54 percent less than the 1969 salary. Members of Congress, who make \$75,100, have taken a 43 percent hit. Federal district judges, at \$78,700, have lost 36 percent.

It's not as if these salaries even approach private pay levels. The inflation gouge makes it still harder to attract, or retain, people of quality in positions that require quality. That's why the quadrennial Federal pay commission has just recommended sizable raises for all three branches of Government. And that's why it's a cheap shot, in both senses, for Ralph Nader to deride the commission's call as "the rich and powerful recommending huge increases to the powerful in Government."

No one expects officials at the top levels of Government to make what they would outside, where the top ranks of executives earn half a million and up. The willingness of a Cabinet officer to serve for less than \$90,000 reflects independent wealth or enormous personal sacrifice.

Many who have made such sacrifices find they cannot do so indefinitely, a fact that strikes hardest at lifetime appointees to the Federal bench. The

average age of Federal judges at the time of appointment is 50; a 50-year-old partner in a law firm last year averaged almost \$165,000, twice the \$78,700 District Court salary. The crunch for many judges comes when it's time to send children to college. One judge had to resign and return to practice; he said he was done in by "malnutrition."

Among legislators, inadequate pay also invites influence and subtle corruption. Members of Congress have been known to accept sizable "honorariums" for doing nothing more than showing up at a luncheon for a half-dozen people with deep pockets and a deep interest in a piece of legislation. Democracy would be far better served by raising Congressional pay and forbidding acceptance of honorariums, as proposed by the salary commission. Its proposals have gone to the President, who may adapt them and send them on to Congress.

Because of misguided populist reactions like Mr. Nader's, raising pay has always required near-heroism from Congress. The salary commission's sensible recommendations can counteract that pressure. Ideally, the President and Congress ought to seize the opportunity for all three branches. But if Congress won't risk giving itself a raise, let it at least make sure that judges get one.

## Paying for Transit Once a Year

The Metropolitan Transportation Authority's sensible capital program clings to life, thanks to an ingenious suggestion from Stanley Fink, the outgoing Assembly Speaker, and the willingness of Warren Anderson, the Senate Republican leader. The program deserves to prosper. The cheapest way to maintain New York's towering position as the world's office center is to refurbish its transit, even if the system absorbs money the way a thirsty camel absorbs water.

The M.T.A. board accepted Chairman Robert Kiley's proposal to spend \$1.7 billion a year on capital improvements for five years. Felix Rohatyn, New York's fiscal emergency repairman, would finance the program with measures that include a tax on gasoline sales in the M.T.A. region. Legisla-

tors, meeting in special session, recoiled. Mr. Fink came to the rescue with a proposed real property tax on automobiles. It would be collected once a year at auto registration time and could be federally deductible. This appears far more acceptable to more legislators than the gas tax, collected every few days. But enough Republican senators remained skeptical to stay Senator Anderson's acceptance. Pushed by the Governor, Mr. Anderson agreed to come back for more special session tomorrow.

The skeptics insist that there must be an alternative to the hard choice of higher fares or more tax-supported subsidies. Yet they offer none. The hard choice is upon us and the real property tax on autos looks like the best way to make it.

### Topics

#### Peace Exercise

Peace, Jean Mayer acknowledges, has become a flabby notion, and he would like to firm it up. So Mr. Mayer, the president of Tufts University, got university leaders from around the world together to try to arrive at some common understandings about peace and international security. He hopes those common perceptions will go into curriculums worldwide.

Mr. Mayer says that his own idea of a peace curriculum would include the study of how arms control has succeeded and failed. It would also include a study of international law, since "We all say proudly we are a society of laws and not men. ... Then we don't teach any law to anyone who is not in law school." Finally, he would include a history of at-

## Bold Crossings

tempts at international agreements. Mr. Mayer's idea provides a needed bridge between public and experts. Many people full of hope or fear think they know too little to do anything effective. And too many experts full of detail and practicality often think that little can be done. It's surely sound to strengthen the flabby old notion by educating the first group so it can bring its energies to bear on the second.

#### Making the Light

A newcomer's recent observation here that New York pedestrians don't stay to the right prompts several explanations. One letter writer said that ever since the cave men, humans

have sought security by staying as close as possible to buildings — or to caves, as the case may be. Another asserted that New Yorkers don't stay to the right because that puts you behind slow walkers and that keeps you from making the light. In New York, said the writer, making the light is everything.

That would be news to Fred Feldman, the chief of the city's traffic situation room. Mr. Feldman laments the number of pedestrians who ignore the light, and thus snarl traffic. Back-ups in midtown are reaching record levels, Mr. Feldman said.

Maybe there are parts of New York where pedestrians hurry down the street but when they miss the light, wait for the next one. If so, the newcomer hasn't found them yet.

### Letters

## Once More, a President Who Would Be King

To the Editor:

Tom Wicker's article ("Beware That Mandate," Dec. 5) that four modern Presidents (Roosevelt, Johnson, Nixon and perhaps Reagan) have been stalemated after landslide election triumphs can be carried much further.

Landslides are not the only cause of that dangerous combination of ignorance and arrogance that has bedeviled modern Presidents and us. Commonly perceived crises or unusually high Presidential popularity may also produce a suspension of our traditional constitutional system of separated institutions sharing and struggling over, power.

Our recurring national crises are not just the result of venal and mean-spirited Presidents and their aides or of a gullible public, although we have experienced both. I would argue that the country suffers from a kind of constitutional schizophrenia, between the traditional constitutional system and a 20th-century version of elective kingship or constitutional dictatorship.

Franklin Roosevelt was our first elective king, empowered by economic crisis and personal popularity, an effective leader until his Supreme Court-packing plan backfired.

Not much kingly in domestic affairs about Harry Truman, Dwight Eisenhower or John Kennedy, but all did about as they wanted abroad.

Lyndon Johnson, lifted to kingship by national grief at the Kennedy assassination and a landslide election victory, got all he asked for from Congress in domestic and foreign policy. He was given a nearly blank check to pursue national security in Vietnam, a maelstrom that convulsed the country and swallowed him.

Domestically, Richard Nixon asked for little more than the opportunity to block Congressional initiatives. One would not have known there was a Congress in the policies of "Vietnamizing" the war in Southeast Asia,

recognizing China and establishing détente with the Russians. It was Nixon who gave us the term "silent majority" as his source of authority, which seemed in his mind to supplant mere elections and constitutions.

Neither Gerald Ford nor Jimmy Carter fitted the royal mode, but electoral landslides and extraordinary popularity have led to the elevation of Ronald Reagan to near-royal status, at least in remaining personally unchallenged until now.

What are the common elements? From Roosevelt to Reagan, the public, Congress and the media all seem enamored of leadership, of Presidents who will do something. The media and public both appear anxious to accord celebrity status to Presidents, lavishing such attention, even adulation, on them as to turn the head of any human and belie the idea that ours is a system of three co-equal branches of government.

But the constitutional system of fractured power was designed to inhibit action, not encourage it. In its normal operation that system produces intergovernmental struggle, bargaining, compromise and often stalemate. Not the stuff of leadership.

Comes a crisis, however, a landslide or an inordinately popular President, and seemingly by common consent, the constitutional system is suspended, replaced by elective kingship, at least in foreign policy, with Congress reduced to a mere cipher, perhaps not even a critic.

These are heady circumstances for any President and his administration. Political opposition is silenced, lest it impede the leadership imperative. The impossible can now be dreamed: one policy can be announced and the opposite pursued; 40 years of nuclear buildup can be swept away in a week-end summit, and laws can be ignored.

Sooner or later perjury, lawlessness or policy disaster is discovered. Because truth, the rule of law and work-

able policies cannot be suspended for long in an open society, the opposition, Congress, the media and the public demand an accounting and perhaps punishment, and leadership, no longer trusted, is at an end. The elective kingship is suspended, and the constitutional system put back in place.

All of our recent failed Presidents have stumbled by attempting not to share power with those constitutionally entitled to share. All have been encouraged by a pliant Congress, uncritical media and a gullible public.

The difficulty is that the traditional Constitution can check the abuse of power, but it stalemates leadership. The elective kingship can give us leadership, but with it comes abuse of power or policies failed because narrowly conceived. We need both effective leadership and the rule of law, but neither of our constitutional systems has proved able to provide us with both.

PAUL E. SCHEELE  
Professor of Political Science  
State University of New York  
Oneonta, N.Y., Dec. 8, 1986

### Entitled to Due Process

To the Editor:

Representative Stephen J. Solarz said on television that he was "perfectly comfortable" with his view that everything points to the President of the United States in the Iran-contra matter. He followed this by stating that his conclusions were based on a "logical analysis" (news story, Dec. 12).

The President has denied prior knowledge. All citizens, including the President, are entitled to due process. Self-serving public statements, uttered from a position of immunity, only denigrate this country and the Presidency, and certainly reflect no credit on the House Foreign Relations Committee or Congress.

ARMAND S. DEUTSCH  
Los Angeles, Dec. 12, 1986

### No Profits to C.I.A.

To the Editor:

In "Iran I: What Needs to Be Known" (editorial, Dec. 14) you state as fact, in connection with arms sales to Iran, that Oliver North "used the profits, deposited in a C.I.A. Swiss bank account, to purchase arms for the contra rebels in Nicaragua." The statement is false. The Central Intelligence Agency was not involved in any way in any diversion of Iran funds to the contras, nor were agency accounts used by others for that purpose.

The C.I.A. issued the following statement Dec. 3 (news story, Dec. 4): "The only funds related to the Iranian program that passed through agency hands were the \$12 million owed to the Pentagon for arms. The funds received from the Iranians were segregated when received and were passed on promptly to the Pentagon. The agency received no profits from any activities with the Iranians, nor were any funds which passed through agency hands from the Iranians diverted to the contras or any other covert-action programs."

That statement reflects the true facts.

GEORGE V. LAUDER  
Director, Public Affairs  
Central Intelligence Agency  
Washington, Dec. 16, 1986

## Still Time to Spare a Tree for Christmas

To the Editor:

Driving home to Massachusetts after a short stay in Washington, I noticed truckloads of evergreen trees en route to places along the East Coast. It brought to mind our traditional family celebration of Christmas, when we hike into the woods to decorate a young evergreen.

Before we go, we string cotton thread with popcorn, cranberries, seeds and anything else we think the animals and birds might enjoy. Then we set out in search of a little tree, which we have always found, just sitting there waiting for us. For a few moments we stand in the silence of the deep woods, at one with the earth, and we renew our commitment to fighting to protect our natural world.

We then take our strands of gifts and loop them around the young tree, knowing all the while that little eyes are upon us. When all is done we move slowly back to view our handiwork which we know the birds and animals will soon be enjoying.

There is a very important mes-



sage in this rite for both children and adults. Which is why it is always hard for me to walk by all the houses after the holidays and see the naked limbs of trees still adorned with tinsel.

PETER MILLINGTON  
Shelburne Falls, Mass., Dec. 8, 1986

### Environment Nobel?

To the Editor:

December being the month when Nobel Prize winners go to Scandinavia, this may also be the right time to consider instituting a Nobel Prize in Environmental Science. Those men and women who, despite practically nonexistent budgets, work at laying down the fundamentals of environmental science should be rewarded.

The vast publicity that is given to winners of the Nobel Prize and to their work would help educate a worldwide public that in environmental matters is mostly confused, ignorant or self-serving. We all depend on an intelligently managed environment. There are outstanding researchers in this discipline, and they need our support.

A Nobel Prize in Environmental Science may indeed even be long overdue.

HELENE KASHA  
North Haven, Conn., Dec. 11, 1986

### The Pride and Shame of a Southern School

To the Editor:

I am a junior at Southern Methodist University and would like to respond to "Time to Bench S.M.U.?" (editorial, Dec. 6).

While our biggest problem at Southern Methodist is our football program, it has also been our greatest. Without the few successes of our football team in the early 1980's, S.M.U. would not have received the national attention that it now enjoys, even though at the moment that attention is negative. And without the success of our athletic programs, test scores for Southern Methodist freshmen would probably not have risen by 80 points in six years. Pathetic, but true.

Why? Athletics for Southern Methodist, as for every other college or university in the United States, are a major recruiting tool. A national champion-

ship draws not only revenue for a university, but also national interest.

If the number of applications rises, a university can pick the cream of the crop. Therefore, test scores naturally rise. A higher quality student body attracts a higher quality faculty and as a result, the academic standards of the university have risen.

How Southern Methodist got into its present situation, with six suspensions from the National Collegiate Athletic Association and a new scandal, may never be known. However, the biggest thorn in the side of S.M.U. is not exactly overzealous alumni, but the city of Dallas itself. Dallas and Dallasites have a preoccupation with money. They believe that money can buy anything, be it a symphony, a museum or a university. S.M.U., unfortunately, is just a reflection of that attitude.

LAURIE CASADAY  
Dallas, Dec. 9, 1986

## Without an Oil-Import Duty, OPEC's Going to Get Us Again

To the Editor:

Our domestic oil industry is on the verge of collapse. Within a year, it will be extracting over a million barrels a day less than now. Exploration is at a virtual standstill, while demand is increasing. All this is happening because of the low price of oil. We all enjoy paying as little as possible, but the old adage penny-wise and pound-foolish is most appropriate today.

In the next few years we will be dependent on foreign oil imports for more than 50 percent of our domestic needs. This is certainly a threat to our national security. It is inconceivable that the Administration will not, for fear of trade retaliation, support a duty on imported crude oil and products to protect our most vital industry, especially in light of recent remarks by Indonesia's Oil Minister, Subroto, in West Java. Minister Subroto said that Indonesia supports the Organization of Petroleum Exporting Countries' \$18 target price, pointing out

that at that price it would still be uneconomical for United States stripper wells to start producing again.

It is clear that this is the backbone of OPEC's strategy: to keep the price of oil at a level that will be satisfactory to oil-producing states, but low enough so that the U.S. will keep production and exploration down, making the U.S. increasingly dependent on foreign imports. We are playing into the hands of the greatest manipulation of our economy since 1973, and the results will be far more devastating.

It is imperative that the U.S. enact an import duty on imported crude oil and products to maintain domestic production and encourage exploration.

Without such a duty we will be at the mercy of the oil-producing countries. When OPEC realizes that the U.S. has lost the necessary lead time to bring back production and develop new fields, it will raise prices as it sees fit.

The fear of retaliation from our trading partners does not justify allowing our domestic oil industry to collapse and exposing our country to future energy blackmail. Our trading partners will not be looking out for our interests, as is clearly expressed by Oil Minister Subroto's remarks.

RICHARD C. MAYBRUCK  
New York, Dec. 11, 1986

The writer is director of chartering for an American shipping company.



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## IN THE NATION

Tom Wicker

## The Saudi Link

The Saudi Arabian Government has denied having anything to do with the American arms sales to Iran. But that doesn't seem to square with the discovery by the F.B.I. of Saudi links to a suspect Swiss bank account that may have been used in the complicated transaction; and the denial is taken with a large grain of salt by some Middle East experts who are familiar with Saudi affairs and attitudes.

They say it was only to be expected that Adnan Khashoggi, the Saudi arms peddler who helped arrange the U.S.-Iran deal, insisted to Barbara Walters on national television that the Saudis had not been involved. In their view, his statement provided only another layer of "cover" for a Saudi royal family that could have stopped but instead gave the green light to the arms sale.

Mr. Khashoggi has conceded that he played a middleman's part in bringing together the parties to the sale, and helping to arrange the financing. The history of his operations, the Middle East analysts say, confirms that he acts only with the approval of King Fahd or other highly placed members of the Saudi ruling family; and that he protects these royal connections at all costs.

In that light, it is all but inconceivable that Mr. Khashoggi, without approval from Riyadh, would have taken part in a matter of such importance as the U.S. arms sale to a revolutionary Iranian Government whose fierce Islamic fundamentalism seems a major threat to the conservative Saudi Arabian regime.

But why would the Saudis want to assist in an arms deal that on its face seems to lend assistance to that Iranian Government? The experts say the Saudis would have thought they had good reasons:

•Traditionally, the oil-rich but militarily insecure Saudi royal family has used its wealth to buy "insurance policies" against those who threaten its regime — other Middle

## Riyadh's likely blessing of the Iran arms deal has its logic

East governments, terrorists, revolutionary groups, etc. Thus, while Saudi Arabia has helped finance Iraq in its war against Iran, it also has sought to keep open a channel to Iran, as an "insurance policy" against an Iranian victory.

In October, for instance, Sheikh Yamani, the Saudi oil minister, was dismissed. He was an advocate of overproduction of plentiful Saudi oil as a means of keeping world prices down; but he was sacrificed, the experts say, when the Saudi Government responded to heavy pressures from other oil producers by cutting production and letting prices rise — an accommodation to the demands of Iran, in particular.

•Traditionally, too, the royal family and the Saudi Government have sought to maintain close relations with the United States. In their view, Washington — especially the C.I.A., which among Saudis enjoys an exaggerated reputation for power — would be the ultimate protector of the regime against outside pressures or internal revolution.

•As Iranian advantages in manpower and resources began to make an Iraqi defeat seem more likely, the necessity increased for the Saudis — in their tradition of seeking insurance against any potential threat — to hedge their bets on the Middle Eastern war. One strong reason for their desire not to make a mortal enemy of Ayatollah Khomeini and his Government is the presence in the eastern area of Saudi Arabia of a quarter-million Shiite Moslems, whose living standard is somewhat lower than that of the rest of the nation. The Shites are considered particularly susceptible to the revolutionary and fundamentalist preachings of the Ayatollah.

Thus, in the view of the Middle East experts who discussed the matter, the Saudis had their own reasons for giving their tacit approval when Mr. Khashoggi approached them with the news that Washington wanted to sell arms (via Israel) to the threatening regime in Teheran. They would be lending their assistance to, and bolstering their position with, their assumed protectors in the United States. They would get credit in Iran for helping provide some badly needed weapons — or at least for not blocking the sale.

They could have blocked it by calling off Mr. Khashoggi and leaking the story for publication; but to have done so might have impaired their relations with the Reagan Administration — another reason for letting the arms sale go forward with Saudi blessing.

There is, of course, no "smoking gun" in this line of reasoning; but to those familiar with the indirection of politics and diplomacy in the Middle East, none is needed.

## THE JERUSALEM POST

## THE NEW YORK TIMES, SUNDAY, DECEMBER 21, 1986

## WEEKLY REVIEW

## IE 7

## Toward Racial Reform in South Africa

By Geoffrey Wheatcroft

LONDON  
In South Africa, the picture darkens. The latest repression by the Government makes it hard to know quite what is going on, except that the pace is still set by violence, against or on behalf of the state. The white liberal opposition is helpless, the press stifled. In the circumstances, it is odd that so little has been heard of the latest effort to move toward authentic multiracial reform. But then, the man at the center of the effort is Gatscha Mangosuthu Buthelezi, an ambiguous figure and a widely hated one.

In South Africa, Mr. Buthelezi is both mistrusted by Pretoria and hated by the black nationalists of the African National Congress. Outside South Africa, he is also denounced: when he went to the United States last month to receive an honorary degree at Boston University, he was picketed by anti-South African protesters. These enemies at least pay him the compliment of taking him seriously. We should do the same.

Mr. Buthelezi is one of the principal backers of an "indaba" — the word, which means "conference" in the Zulu language, was carefully chosen — held in the city of Durban in the last few months to discuss what is known as the "KwaNatal option." Natal is one of four provinces of South Africa and on the face of it a good place for an experiment in semi-autonomous, multiracial government. It has a large black majority, most of it Zulu. Mr. Buthelezi is both hereditary chief of the Zulus and Chief Minister of the "homeland" of Kwa-Zulu, which covers part of the territory of Natal. He also runs Inkatha, a political movement that is effectively though not officially tribal. The quarter of Natal's population that is not Zulu includes 630,000 Indians, descendants of 19th century settlers, and a white community that is predominantly of British origin and thus, at least in theory, less intransigent than the Afrikaners.

The indaba recommended an elaborate compromise for "power sharing" in Natal: it suggested the creation of a new provincial administration, no doubt to be headed by Mr. Buthelezi, and representative institutions that would combine universal franchise with entrenched guarantees for minorities. But even before the recommendations were published, they were dismissed by Stoffel Botha, the Minister for Home Affairs, on behalf of the Government and the ruling National Party.

Pretoria says it wants to explore moderate reform but will not speak to black leaders who espouse violence. Mr. Buthelezi condemns violence and offers moderate reform. Yet he has been kicked in the teeth by Pretoria. In truth, Mr. Botha's reaction was all too predictable, but it should give pause to those in the White House and elsewhere who have tried to give South Africa every possible benefit of the doubt.

Of course, Mr. Buthelezi is no saint. He is a capable, ambitious and ruthless politician whose stewardship of

Geoffrey Wheatcroft, a columnist with The Sunday Telegraph, is the author of a book about South Africa's mining magnates.

Inkatha is anything but gentle: for all its condemnation of violence, Inkatha members have been involved in the killing of several political rivals. But then, gentleness is a quality associated with few groups in South Africa, from the police to the radical "comrades" in the black townships. Mr. Buthelezi is playing a deep and devi-

## In Natal, a compromise on power sharing offers hope

ous game, and he has interesting allies whom his enemies distrust. The indaba was sponsored by academic white liberals and by the fantastically powerful Anglo-American Corporation, which dominates South African mining and controls more than half the companies on the Johannesburg Stock Exchange.

But what other South African blacks most mistrust about Mr. Buthelezi is his unashamed use of tribal power. "Tribalism" is a fighting word in Africa. The rulers of every independent country are understandably frightened of its force, and the Organization of African Unity has made it a cardinal principle that the borders inherited from colonial rule must be respected, even if they fly in the face of tribal — what Europeans would call national — boundaries. In South Africa, suspicion of tribalism has been aggravated by the Government's divide-and-rule "homeland" policy. The A.N.C. has made it one of its cardinal principles that it should inherit a "unitary South Africa." This commitment, along with personal rivalry, is at the heart of the A.N.C.'s hostility to the KwaNatal option, which threatens to break up the South African state as it exists today.

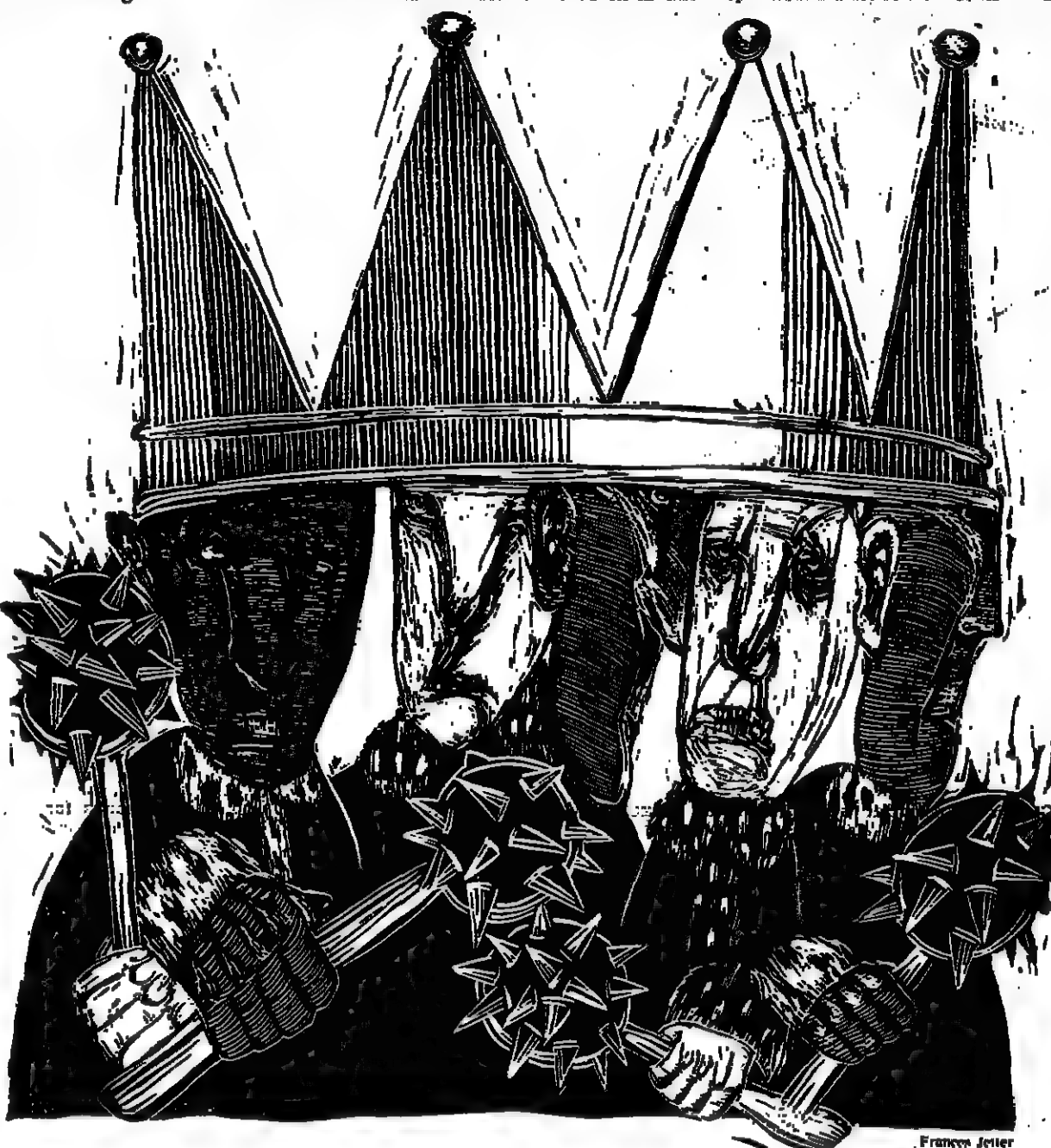
The hostility is strengthened by a related conflict among the opponents of the Government — between on the one hand the white liberals, big business and a few younger and more enlightened members of the Afrikaner elite, who are trying to co-opt a black middle class into a new ruling group and on the other hand the Marxists who influence (though they do not control) the A.N.C. and who despise not just Uncle Toms but anything savoring of "bourgeois democracy." Whose side should we be on in this

quarrel? The answer seems obvious.

In any case, however much one may detest apartheid and wish to see it end, it is not necessary to share the A.N.C.'s unwavering enthusiasm for a unitary South Africa. The indefensibility of white supremacy is one truth about South Africa but not the only one. South Africa is, and is likely to remain for the immediate future, a white-ruled oligarchy. It may be, and is quite likely to become, a black-ruled oligarchy. What it can never possibly be is anything resembling what we think of as a multiparty democracy, not within its present borders. In the circumstances, a multiracial oligarchy does not seem quite such a bad idea.

A multiracial, multiparty, unitary South Africa is a fantasy. The "unitary" country is anyway a recent invention. A hundred years ago, South Africa was still a jumble of Boer republics, British colonies and black kingdoms. The country was united politically only in 1910, in the interests of white supremacy and of the mining companies. If it remains united after white rule ends, it is likely to be in the interests of a different kind of tyranny.

If we want to see a South Africa that is not only, negatively, free from apartheid but also, positively, manages to combine multiracialism with something like democracy, the Natal option should not be dismissed.

WASHINGTON  
James Reston

## Reagan's Age and Memory

WASHINGTON  
The question of President Reagan's age and memory, discussed fleetingly in the last Presidential election campaign, is back in the news again as he prepares to enter the hospital for minor surgery.

Assuming that he bounces back to his normal self, as usual, he will still leave doubts here about his casual executive style, and the competence of his staff.

For the moment, it's not what we don't know about the recent conduct of his office that counts but what we do know. We do know a good deal about his alarming unpreparedness for the summit meeting with Mr. Gorbachev at Reykjavik, and we do know that his handling of the Iran-contra scandal was almost as clumsy as the original plan, if that's the right word.

Accordingly, a return to "normal" after a short period of convalescence will not be entirely reassuring, for it is his normal way of doing business and delegating power to unknowns or incompetents that created the difficulties in the first place.

Also, there's little evidence that the present crisis has affected his monumental indifference. He merely glanced at Secretary Shultz's televised appearance on Capitol Hill and explained that he turned to the hearings "when I can't find a ballgame."

Lou Cannon reported in The Washington Post that the President's off-hand reaction to the most serious crisis of his Presidency had made some "Reagan confidants wonder whether the 75-year-old President has either the vitality or the understanding to cope with the crisis over a protracted period."

The critical question now is not about the past operations of the Cabinet and the White House staff but the future. The reporters and politicians have been wondering about this and the physicians are now beginning to speak out.

For example, I have a letter here from a doctor suggesting that maybe the politicians and the press have

## An issue before, it needs to be addressed again

missed the main point, that maybe nobody's lying; that maybe Colonel North and Admiral Poindexter thought the President had agreed it was O.K. to fiddle money and arms from Iran to the contras in Nicaragua, but that the President simply didn't know or remember.

This doctor, who also sent his letter to David Gergen, the editor of U.S. News & World Report, suggested that this disaster was not the result of calculated policy or even of personal stupidity, but simply a confusion of purpose and memory.

"I think," wrote the doctor, "that much of what we are seeing... is that what the President is doing may be the result of the aging process in him. Others may believe he is lying, but I don't think so. When he says he did not hear or know what Donald Regan said about the sale of arms, he may not really remember."

"When he says that Israel did not send arms and that he never condoned such a thing, he is telling the truth as he remembers it..."

"In the elderly, recent memory begins to fail. His staff may brief him immediately before a press conference, but in a few minutes he could honestly forget almost everything that had been prepared."

The doctor, who is 74, younger than the President, added: "At my age, I can go into the next room to get something, only to find when I get there that I have forgotten my original purpose."

Maybe there is something to this human observation, and maybe in Mr. Reagan's case it's all wrong, but there's some evidence that it's worth thinking about.

For example, one of Colonel North's buddies recalls the colonel's saying that when he (North) briefed the President, Mr. Reagan listened for a short while and then seemed distracted, even when Colonel North was saying that sending too much money to the Pentagon eroded discipline and might not be a good idea.

The unpreparedness at Reykjavik was clearly not a calculation the President had in mind in advance — it astonished both his supporters and his adversaries. The problem in all these things is that he had nothing in mind, but improvised along the way.

Accordingly, even if Congress found out what happened in this mystifying business of shipping arms to terrorists in Iran to stamp out terrorism, and fiddling with Iran and Iraq behind each other's back, and discovered who sent the money and arms to the contras in Nicaragua, the problem would remain about how on earth the President couldn't have known or didn't know about such peculiar antics.

Maybe the doctor is closer to the truth than anybody else. It's a human problem at the top of the Government, and this is what will have to be addressed in the coming months with the uttermost sympathy and care.

## Reagan's Doctrine and the Iran Issue

By Daniel Patrick Moynihan

WASHINGTON  
The Senate Intelligence Committee met for three weeks about the Iran arms sales and diversion of money to the contras. We learned a great deal, but in the end, nothing really. The who and whom have yet to come out and may never do so. Can we not then pause a moment to ask why all this happened?

In a narrow but intensely active circle here there has emerged a consuming obsession with the expansion of Communism — which is not in fact going on. Something else is going on in places where we think we see a Communist threat: convulsive ethnic conflict. We seem to have no feel for that.

It appears to me that we have deeply misread events in the world. We have paid far too much attention to geopolitics and far too little attention to questions of political economy — specifically, to the health of our own economy, which, more than anything else, will determine our capacity to influence foreign policy.

Our misperception is embodied in what has come to be called the Reagan doctrine. It is a large geopolitical idea. As with many positions of the present Administration, the doctrine's antecedents are as much on the political left as in anything to be found as traditional conservatism. Indeed, in its globalism it is hugely at odds with that tradition.

The Reagan doctrine holds that we have entered a third phase in the expansion of the Soviet empire. The first followed World War I, with modest annexations and a general consolidation of the heartland. Considerable expansion took place after World War II. Soon, however, the heartland was encircled by adversary capitalist regimes. In phase three, this capitalist circle is attacked, from the rear,

Daniel Patrick Moynihan, Democrat of New York, will become a member of the Senate Foreign Relations Committee next month.

by pre-positioned insurgencies in the third world.

In the words of an address given at the Naval Academy in the spring of 1984 by Robert C. McFarlane, this made "obsolescent" the earlier policy of containment. Because the Soviets were now "militarily strong and adventurous enough to leapfrog the buffer states and jump anywhere in the world that suits their own strategies," it was necessary to go "beyond containment."

Mr. McFarlane was justifying the mining of Nicaraguan harbors and describing the anti-Communist resistance there that gave particular elan to the new doctrine. In an article in Strategic Review, a State Department official put it that the "Reagan doctrine" has evolved in pace with a remarkable phenomenon of global dimensions: the spontaneous combustion of resistance to direct and surrogate prongs of the Soviet Union's expansion in such disparate regions as Asia, Africa and Central America.

This is all true enough, but it misses the one enormous fact of the third quarter of the 20th century, which is the near complete collapse of Marxism as an ideological force in the world. Nothing quite so sudden or so complete has ever happened. Economic doctrines have faded, political canons have been discarded, but here was an extraordinary world view, thought to be irresistible, maintaining a hold on sectors of opinion in all

## We are obsessed with the false belief that Communism is expanding

## Too much attention to geopolitics; too little to political economy

the great metropolitan centers of the world — of a sudden, vanished.

Instead, we find a world convulsed with ethnic conflict that defeats any Marxist analysis. Whole regions: the Middle East, the Persian Gulf, southern Africa are given over to racial, religious and tribal conflict. We now learn of rioting in Kazakhstan; ethnic turmoil in the Soviet empire will be a central and perilous factor of world politics over the next 50 years.

Such worldwide conflict is endemic to decolonization. One measure: of the 159 United Nations members, there are exactly seven that existed in 1914 and have not had their form of government changed by internal or external violence since 1914.

In this setting, a certain number of internal conflicts will take the form of Communist insurgencies, and of these a certain number will result in Communist regimes. Here a distinction is necessary. When we say that Marxism has collapsed as a world creed, we do not extend that proposition to Leninism.

Leninism, the theory and practice of the single party state, of a government-owned and -controlled economy, of police terror, has proved a brutal but often effective near-term means of mobilization of power in relatively primitive societies. It proved that in Russia; it is proving so in Nicaragua.

For reasons that have been well enough catalogued, Leninism has a particular attraction for youth of the upper classes. In opposition it is tena-

clous, and in power both brutally vicious and briefly contagious. But it is not a new phenomenon. It is a residual phenomenon.

Marxist-Leninist insurgencies in the third world are the aftermath of colonial experience that took young Asians to the Sorbonne, Africans to London, Latinos to Barcelona. We may predict that between now and the year 2000 between four and 11 such regimes will come to power. I would, for example, put Haiti on a list of candidates if we don't act. And, of course, sometimes it won't matter if we do act.

What then? We need a better policy than behaving as if the Western world were at risk. When a small tropical nation goes Communist, we need a better policy than debasing our own conduct in the course of resisting theirs.

There is still to be developed a pattern of response to leftist insurgencies and regimes in the third world. I offer a simple typology. Ignore them where possible. Isolate them where not possible. And if the resources can be found, do everything possible to surround them by success. Soviet military expansion is different. Yes, America should supply arms to the Afghans. But Suriname? We just don't have the resources — for example, the President's time.

It is time for America to attend to economic resources. We have not done so in this decade. To the contrary, it will be recorded of us that in the 1980's America borrowed a trillion dollars from the Japanese and gave a party.

Well, the party will soon be over. And unless we act with far greater clarity than we have shown of late, we will soon learn that the world's largest debtor nation does not decide world policy, and that a deindustrialized America can no longer be the arsenal of democracy, much less the terror of the terrorists.

Political economy is the name of the next task, not geopolitics. This will be missed by those who do not understand that the latter derives from the former. With great respect, they will not be missed.



# 'Platoon' Grapples With Vietnam

By MICHAEL NORMAN

The guns are silent and cold, but the memory of their report still echoes across the land. Vietnam lingers, especially for the eager volunteers and luckless conscripts who crossed the Pacific to fight it. They are in their maturity now. They sit in the Congress, they stand along the assembly line, they sell pencils in the street. Some have tried to bury their past and forget the war. Many more have searched for a way to remember. They have a new mission now, one that began when the fighting stopped. This is the mission to make sense of the senseless, to find some provision in a storehouse laid empty by waste.

When the veteran is an artist — a writer, a sculptor, a cinematographer — his war almost invariably becomes his subject. "The soldier who has seen blood spilt" is a marked man, said the historian Dixon Wecter in 1944. "It remains a dye in the fabric, a warp in the wood." Oliver Stone, film writer and director, is one of these men. On Sept. 15, 1967, he reported for duty in Vietnam, an infantryman, or "grunt" as they were called, a member of the 2d platoon of Bravo Company, 3d battalion, 25th Infantry. He served in two other units before his tour was done and was twice wounded and decorated. In 1976, he wrote a screenplay about his comrades and the war they fought. Now, 10 years later, he has turned his script into a movie, "Platoon," a graphic and often brutal film that is likely to unsettle even those who lived through the war's restless nights and incendiary days.

Mr. Stone says his aim was to "make a document of a time and place," to re-create the reality of Vietnam so that those who stayed home or came of age after it ended would now know "what it was like to be there." An artist, of course, has no obligation to state his purpose or explain his work. The substance of what he creates is his own message. His style is his metaphor for meaning. But Vietnam was more than a shooting war across the sea. It was as well a political and cultural struggle at home. The fighting along this "second front," as it might be called, is now sporadic, but the skirmish lines are still hot, and anyone who takes a place there — novelist, playwright, film maker — should be prepared to defend himself.

"Platoon" has a simple and familiar story line. The protagonist, Chris Taylor, is a 21-year-old child of privilege who volunteered for the draft

and Vietnam because he was convinced that young men who had grown up with less than him could teach him something about life. The war was to be his metamorphosis, his passage to manhood. The film begins with his arrival in Vietnam in late 1967. He is in a platoon of green troops, "new meat," as they are called when they step onto the tar-

lor's tour, the platoon fights an apocalyptic battle with a large enemy force. Taylor is again wounded, but survives this bloody holocaust. As he is airlifted from the scene, his voice, speaking from the present, says, "Those of us who did make it have an obligation to build again, to teach others what we know and to try with what's left of our lives to find a good-

in that it tries to re-create the grim chaos of combat. And it is likely the first film about Vietnam to give a sense of the persistent fear, discomfort and hard labor of fighting there. It is possible to argue with the way Mr. Stone drew his characters, the way he choreographed his battles and his various explicit and implicit messages, but few veterans will find any



Tom Berenger and Li Thi Van in Oliver Stone's "Platoon"—The film, in many ways, is a chapter in the screenwriter-director's biography.

msc. "That what I think it is?" asks one of the new arrivals as a load of green body bags rolls past them.

Taylor joins his unit in the jungle and a short time later is slightly wounded when his platoon, out at night to ambush the enemy, is surprised by its prey. In the weeks that follow, it becomes clear that the platoon is divided into two cliques formed around two sergeants who are rivals — Barnes and Elias — the former a figure of evil, the latter of good. Taylor falls in with Elias. At one point, after taking some casualties on a patrol, the platoon enters a village and begins to seek its revenge. Taylor, stunned and outraged by the death of his comrades, begins to take part in the brutality, then becomes horrified by it.

At the end of the movie, and of Tay-

ness and a meaning to this life."

As a story, a narrative, "Platoon" borrows from the long tradition of war literature. Here is the classic warrior myth, the innocent who goes off to battle and comes back with what he believes is the wisdom of the ages. Here is war corrupting those who take part in it. Here is the survivor as hero. And, finally, here is the awful result of technology turned to destruction. The same story has been told in different eras by Stephen Crane and Erich Maria Remarque and Norman Mailer.

As a film, however, "Platoon" is an attempt to break new ground. Like other war movies, it has its share of clichés. (In one scene, a dying soldier drops to his knees and raises his hands to heaven. "Poetic license," says Mr. Stone.) But it is a rare film

fraud in his milieu and many will remember the way combat left them feeling numbed and stupefied.

Mr. Stone, of course, did not aim his movie at his own kind, his comrades.

He is sure its appeal will be broad, and his opinion might be well founded. The currency of war is violence and death, issues, wrote the self-described psychohistorian Robert Jay Lifton, that are "all too real" for everyone. Confronted by these issues, those who have not witnessed death ask questions of those who have. Rare is the combat veteran who has not been pushed to answer: "Did you kill anyone?" and "What was it like?" Some of the questioners were no doubt preoccupied with death. But most were simply looking for help. As Dr. Lifton wrote, they were involved in the common "struggle to come to

terms with the realization that one's own life could and would be at some moment snuffed out."

To convey "what it was like," said Mr. Stone, "We took a lot of pains with details." The film, with a modest budget of \$6.5 million, was shot in the Philippines between March and May, monsoon and summer. The Philippine Government supplied the military hardware and equipment and a former Marine Corps captain, Dale Dye, the film's technical adviser, provided much of the verisimilitude. He "trained" the ensemble of young actors, putting them through a 14-day boot camp to prepare them for their roles. "Actors have a great imagination," said Mr. Stone. "They were able to take those two weeks and turn them into months." Makeup artists gave Mr. Stone the details of gore for his wounded and the gray pallor of death for his corpses. All that was left was to haul in "tons of dirt" to keep everyone filthy and covered with mud. When everything was set, the cameras began to roll, and 54 days later Oliver Stone began to film a script he said no one wanted to buy a decade ago.

This is the second major movie Mr. Stone, 40 years old, wrote and directed. The first was "Salvador." He also wrote the screenplays for "Midnight Express" and "Scarface." His material has been topical, his style graphic. Someone, he says, proudly, once described him as a cinematic provocateur.

For all its graphic realism, Mr. Stone's film is still an adventure story, his protagonist still a kind of existential hero. "I wanted to show the boy changing from an innocent kid into somebody who comes to include both good and evil in him," he said. "This is a memoir of youth."

Although the film is rooted in his experience — that is, it portrays events that either he or his unit took part in and characters he knew as comrades — "Platoon" might be taken by many as typical of what every soldier experienced in Vietnam. And if that happens, it will resurrect old and troubling notions about how American men behaved on a battlefield so far from home.

The most brutal sequence in the movie, the one that most prompted those who walked out of the previews to leave, takes place in a village. Angry and out of control, some members of the platoon begin to murder

and rape civilians. "Let's go all the way," says one of the men. "Let's go for it. Let's do the whole village. Come on, Sarge!" The violence threatens to erupt into a massacre and the memory rushes back to My Lai.

"I wasn't trying to call up My Lai," Mr. Stone said. "This is not an academic film. It is based on my experience. We did shoot livestock. We burned hooches. One of my comrades did kill a woman. I did save two girls from being raped and killed. It was madness."

It also was not typical. Yes, some men, perhaps many men, are just as brutalized by war as the innocents who wander into their sights. "From the Homeric account of the sacking of Troy to the conquest of Dien Bien Phu, Western literature is filled with descriptions of soldiers as berserkers and mad destroyers," wrote J. Glen Gray, the philosopher and World War II veteran. However, he adds, "destruction is ultimately an individual matter, a function of the person and not the group." And this particular truth about war underscores what seems to be missing from Mr. Stone's film, perhaps what he never came to know — the passion of comradeship.

There is little kinship for the men of "Platoon." They may serve together, but there is no sense of self-sacrifice among them, no loyalty and no love. It is thus not surprising that many of Mr. Stone's characters come across as coldblooded killers. "Comradeship among killers is terribly difficult," wrote Mr. Gray. And it is on this point, found so often in the art and memoirs of war, that a great many men will break with Mr. Stone and find his film lacking.

And yet, I am glad he prevailed and brought his story to the screen. It is a welcome counterpoint to the comic and grotesque characterizations offered by the authors of "Rambo" and other cardboard heroes. And Mr. Stone's reality is much closer to the moral truth of Vietnam than the chest-thumping of modern revisionists. What is more, it is time for the veterans of Oliver Stone's war, my war, to pass through what T. S. Eliot called the "unknown remembered gate...the source of the hidden river...the voice of the longest waterfall," in short, the past. We may, at last, be ready to find our peace.

# Sigourney Weaver as Portia In 'The Merchant of Venice'

By LESLIE BENNETTS

She blazed across the cosmos wielding a flamethrower against deadly extraterrestrials in "Aliens." She ran roadblocks under fire and conducted a steamy Indonesian affair with Mel Gibson in "The Year of Living Dangerously." And in "Ghostbusters," she was a cellist plagued by evil spirits who possessed her kitchen appliances — and then possessed her.

In a series of successful movies, Sigourney Weaver has become a screen icon to millions of Americans. The exquisitely chiseled face, the legs that any self-respecting Rockette would die for, the cool intelligence that even the dumbest script can't disguise have combined to make the 37-year-old Ms. Weaver one of the most successful actresses of her generation, not to mention the kind of sex symbol who makes men's eyes glaze.

But despite her string of Hollywood hits, the last few weeks have found Ms. Weaver holed up in a tiny theater on Manhattan's Lower East Side, preparing for one of her more challenging, if less lucrative, assignments. The theater is CSC Repertory, where the Classic Stage Company is presenting "The Merchant of Venice" in a production that opens today and runs until Jan. 11. With John Seitz as Shylock, Ms. Weaver stars as Portia and is directed by her husband, James Simpson.

Although her résumé includes many theatrical credits — including "Hurlyburly" and a succession of Off Broadway works by her old friend Christopher Durang — Ms. Weaver's last foray into Shakespeare ended badly when she was dismissed by Nicol Williamson from his 1982 production of "Macbeth" at Circle in the Square. "I consider myself quite lucky I was fired, because I would probably have stayed until the bitter end," Ms. Weaver says drily. Indeed, the production went on to receive terrible reviews, but preparing for the role of Lady Macbeth had whetted her appetite for Shakespeare, and when the Classic Stage Company approached her husband to direct a production, Ms. Weaver was happy to sign on.

"I just found the play irresistible," she says. "I had worked a lot on different roles in Shakespeare, but I had never worked on Portia or even talked to anyone who had, and I felt an immediate connection with her. I felt she was a very contemporary woman in a lot of ways. She has a blazing intelligence, and has been given a remarkably enlightened education. She's deeply passionate and idealistic, she has a wicked sense

of humor, and she's fiercely independent and adventurous; even though she marries Bassanio, she never comes off to her to consult him before racing off to take on a huge challenge."

After making a succession of films, immersing herself in Shakespeare has proved an exhilarating change. "The great thing about Shakespeare is that you'll never get to the end of it," Ms. Weaver observes. "The more you give, the more it gives you back. In the movies you can spend a lot of time disputing the limitations of the material, whereas here it will take everything you have to give. It's such a precious experience."

Another lure was the opportunity to spend time with her husband, a freelance director. It was Mr. Simpson who actually chose "The Merchant of Venice." "One of the reasons was that there are so many good roles that you don't have to depend on one person to carry it," he notes. "Luckily Sigourney read the play and —"

"leaped," she interjects. "— at the chance to do it, because Portia's such a goodie," Mr. Simpson continues. "Needless to say, because of her involvement I've been able to get a very high-caliber cast."

Like Ms. Weaver, the 30-year-old Mr. Simpson went to the Yale School of Drama and has since directed at the Williamstown Theater Festival, the Public Theater and the Ensemble Studio Theater, among other places. As soon as he leaves the room Ms. Weaver tiptoes to the door and closes it. "He's such a good director," she whispers. "He really lets people explore and do their work. He encourages you to invent and try things. The kind of atmosphere he fosters in the rehearsal hall is very unusual. It takes great security to let people bloom."

Although well aware of its controversial history, both actress and director see "The Merchant of Venice" as transcending many of the accusations that have been leveled at it over the centuries. "I think the story is often misconstrued to be anti-Semitic," says Ms. Weaver. "I think it's really about businessmen with very different ways of conducting their lives and different sets of beliefs, with all the prejudice and suspicion that brings. The fact that there is a 'racial' difference enhances the other differences between these two men. But ultimately Shakespeare, who is a very wise man, presents a total picture of the situation. It's about people's distrust of each other, really."

Mr. Simpson, who has set his production in the 13th century, adds: "The argument of the play is not simply Jew versus Christian, it's venture capitalism versus usury, which is really the distinction between Anto-

nio and Shylock. Shakespeare has the doge of Venice presiding over the court, and that takes us back to the 13th century; this was a time when the concept of usury was a very volatile issue. In Shakespeare's time usury was practiced by all the Christians."

Mr. Simpson, who has already received letters asking him not to do the play from people who see it as anti-Semitic, views "Merchant" as equally critical of other groups. "Christians come in for some very harsh scrutiny in this," he notes. "I don't think Shakespeare draws a cur in Shylock. There were other plays of the time that were blatantly anti-Semitic, and I think if Shakespeare had been out to write an anti-Semitic work we would be looking at a very different play."

For Ms. Weaver, this return to the classics has come at a particularly rewarding time; last year she made three movies in a row, shooting 11 out of 12 months on "Half Moon Street," "Aliens" and a French film with Gerard Depardieu called "One Woman or Two." "After three films, I didn't want to think about another role for a while, but I do think theater can fill you back up again," she says.

Even as an adolescent, Ms. Weaver knew it was the life she was heading for; by the time she was 14 years old Susan Weaver had read "The Great Gatsby" and rechristened herself Sigourney, the name F. Scott Fitzgerald gave to the snobbish Jordan Baker's aunt. The daughter of a British stage actress named Elizabeth Inglis and Sylvester (Pat) Weaver, president of NBC during the 1950's, the young Sigourney attended Stanford University and then went on to the Yale School of Drama. There she found a soulmate in Christopher Durang, with whom she teamed up in a series of offbeat ventures. Ms. Weaver sang the title song while receiving shock treatments in "Better Dead Than Sorry," played a murderous schizophrenic in "Titanic" and a woman dating a bisexual in "Beyond Therapy." Ms. Weaver and Mr. Durang also wrote and performed "Das Lusitania Songspiel" and "Naked Lunch."

Ms. Weaver's career was dramatically altered in 1979 when she landed her first major film role in "Alien." Seven years later she returned to the character of Warrant Officer Ripley in the sequel, "Aliens." Even the space sagas have given Ms. Weaver an opportunity to play a strong, interesting woman, and many female viewers have hailed "Aliens" for its portrayal of Ripley. "Here's a movie that shows women actually doing something, instead of just hopping up and down and yelping," Ms. Weaver observes.

## Gifts From the Gifted

BY JOHN M. SAMSON/Puzzles Edited by Eugene T. Malenka

### ACROSS

1 Apocryphal

11 Small herring

12 Mrs. Findlay

21 Vintner's

22 Tamarisk

23 Michelangelo

24 Hangar locale

25 Murillo

26 Honshu city

29 Empire, in

31 NW U.S.

32 Cheap tire

33 Maroon

34 Mulligatawny

35 Movie: Comb.

36 Parthenope,

for one

37 Wooded

38 Similar

40 H. H. Munro

41 Prefix for

42 Month, in

Madrid

45 Winslow

Homer

46 Missionary

mother

47 Novelist

Leasing

48 Buenos Aires

suburb

49 An Anderson

from St. Paul

50 They're held

by Santa

Indian

51 Number 3

wood

52 Actress

Dresser

53 "Thanks!"

54 Climbed

precursor

55 Jefferson's

creed

56 One's specialty

57 — Moines

58 Mongolian

desert

59 To be, in

Bordeaux

60 Creator of the

G.O.P.

61 Hugo van der

Goes painting

70 Foretoken

71 Lampreylike

72 Horn or bound

type

73 Wild goose

74 He wore a

Union suit

75 Fluster

76 Rose oil

77 Monks' hoods

78 Divine

79 Kind of boat or

train

80 Mr. Heyerdahl

81 Principled

82 — Jury

83 A gender

### DOWN

1 Altar locale

2 Likewise

3 Popular pear

4 Moo — gai

5 Although, to

6 Nursery

member

7 First name of a

Wharton hero

8 Scottish feudal

baron

9 Look after

10 Former

11 Globular

12 Knight or

bishop

13 Ada from

Limerick

14 At the pinnacle

15 Mchali of

chess

16 Lehrer's

partner on TV

17 Plant house

18 "Trinity"

author

19 Kachina, e.g.

20 "The

Neverending

Story" author

21 Live oak

22 Three

wheelers

23 Naval clerk

24 Kind of leather

25 Master, to Din

26 Tiger bitters

27 Bridegroom's

bus fare

28 Narrow groove

29 Senator

30 Thornd

31 New Zealand

minority

member

32 Arctic

33 Cetacean

34 By mouth

35 Bogs

36 A province of

37 Tell

38 Foolish talk

39 Goat-men

40 Lave

41 Greek peak

42 Priest's scarf

43 Necman

Becker

44 Lima and

45 Amend

46 Saving

47 Arctic

48 Cetacean

49 By mouth

50 Bogs

51 A province of

52 Tell

53 Foolish talk

54 Goat-men

55 Lave

56 Greek peak

57 Priest's scarf

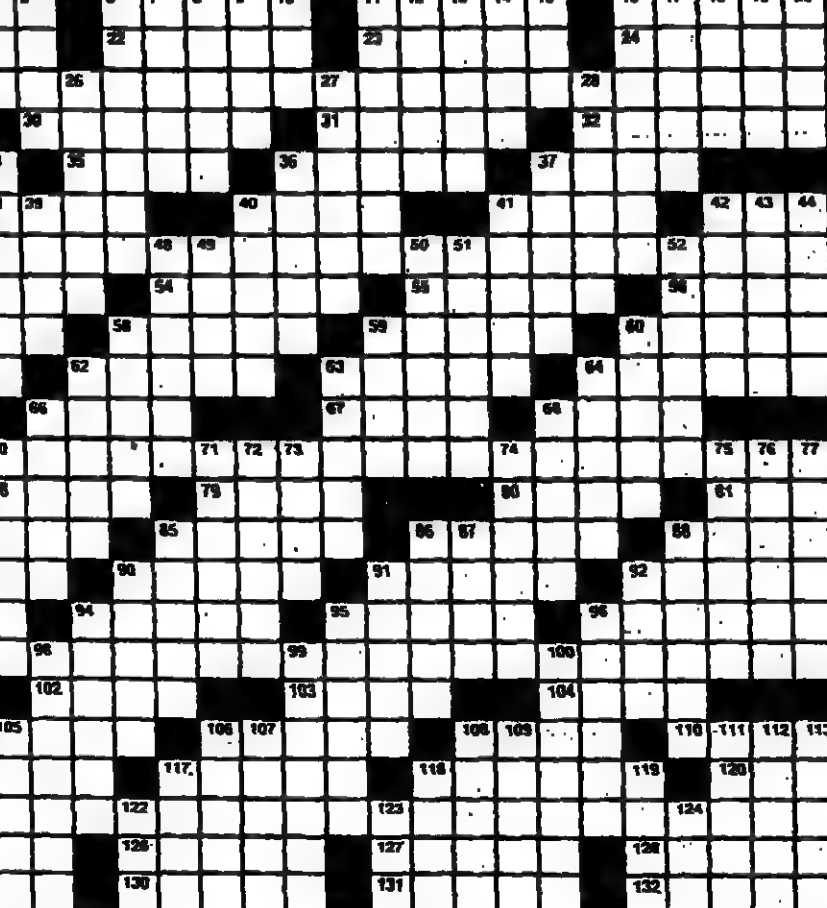
58 Necman

Becker

59 Lima and

60 Amend

61 Saving





The difference between Australia and New Zealand

## Where Zionism is a rude word

Stephen Levine

PRESIDENT Herzog's recent state visit to the South Pacific, with stops at Australia and New Zealand, provides an opportunity for revisiting our image of these two countries' attitudes towards Israel. Nostalgia for the Anzac blurs differences between the two.

In Australia, Prime Minister Bob Hawke is openly sympathetic to Israel. And he is not alone. The Australian Parliament has called on the UN to rescind its Zionism-is-racism resolution. Although the 70,000 Jews of Australia are aware of countervailing sentiment, they are encouraged by the forthright stand taken by the political leadership.

New Zealand's Jews (about 4,800, roughly 0.1 per cent of the population) occupy a less comfortable position.

There is no understanding of the Zionist enterprise or of the continuity of the Jewish experience.

Minnows in a gentle ocean, they are at sea in more ways than one. Those vigilant about their Jewish identity, and anxious to see it extended to their progeny, tend to migrate to Australia or to Israel. The rest cope as best they can.

Unlike most Jews in the English-speaking world, New Zealand's contribution to the Diaspora derives not from Russia, Poland or Germany but from Britain. Present at the creation, Jews came to New Zealand on the first ships sent out to colonize the islands. Although they attained significant political and economic positions, their numbers did not grow. The 1930s saw the arrival of some German Jews, but the country isolated itself from the Jews of

Europe during the war, content to admit a handful of survivors afterwards.

I have been told more than once of how shocked New Zealanders were upon discovering the Holocaust in all its awesomeness. As one academic confided to me, "The Germans let the side down" - a white European nation's unprecedented barbarousness might have been less stunning perpetrated elsewhere.

No doubt the revulsion at Germany's crimes activated New Zealand's sympathy for the Jewish predicament. But there has never been an understanding of the Zionist enterprise, and there is even less of a grasp today of the continuity of the Jewish experience.

Until fairly recently, New Zealanders were a church-going people, familiar with Scripture and not indifferent to its messages. This has changed. In Israeli terms, the population is now overwhelmingly secular. A common frame of reference arising out of a familiarity with and an openness to biblical language, which lay in the background of New Zealanders' perceptions about Israel, no longer exists.

Nor are New Zealanders at all swayed any longer by rhetoric that assumes them to be bound to "the West." If the country has been prepared to jeopardize its ties to the U.S. in pursuit of an ostensibly independent outlook, certainly Israel cannot utilize linguistic leverage directed towards a shared political heritage.

NEW ZEALANDERS have long cherished a peculiar if not unfamiliar national myth, that they have a

capacity "to lead the world," more or less as a light-into-the-nations in domestic social policy and in international relationships.

But this ambition vies with an awareness of the country's stupendous insignificance, almost embarrassingly secure in a conflict-ridden world. Remote, isolated, and ill-informed, its poor grasp of complex affairs goes hand in hand with a sense of humility or relief but rather with a desire to provide uncompromising guidance to a corrupt world.

Recently these tendencies have focused on Israel. Despite support and sympathy from Prime Minister David Lange, a national consensus antagonistic towards Israel has arisen. It dominates the country's

A respected TV interviewer asked President Herzog whether it might not be better if Israel simply didn't exist any longer.

news media, and permeates political and academic environments. Drawing upon a latent anti-Semitism which tended to confine itself to colloquialisms, New Zealand's distant moralizing has created a social and cultural atmosphere uncomfortable for the country's Jews.

Thus Jews wearing kippot face abuse from colleagues and casual passers-by. Any reference to Israel in the newspapers elicits staggeringly virulent and overwhelmingly ignorant letters that editors are comfortable about publishing. While Israel was in Lebanon, the editor of New Zealand Jewry's newspaper was summoned when his annual invitation to the nation's political leaders to contribute Rosh Hashanah messages

was rejected by one of them, a man of principle who utterly refused to extend wishes for a happy new year to New Zealand's Jews while Israelis were slaughtering Arabs.

THIS FORM of terrorist reasoning - holding Jews anywhere responsible for acts by Israel - reached new heights when a respected TV interviewer asked President Herzog whether it might not be better if Israel simply didn't exist any longer. I understand that similar suggestions from other quarters were thrown out during his visit.

This outlook, genocidal in principle, finds its echo in resolutions put before the conference of the governing Labour party. From its "grass roots" came proposals not merely for a PLO-headed Palestinian state but, more strikingly, for the removal of the Israeli Embassy from New Zealand and the instalment of the PLO.

Dependent as New Zealand has become on Arab oil, and on trade with Israel's belligerent neighbours (particularly Iraq and Iran), the sad fact is that the rise of anti-Israeli sentiment derives largely from an inability to accept the Jews as a nation, in its own homeland. This premise, unfamiliar as it is, poses particular problems in a country whose own colonial past presents its white majority with unavoidable racial dilemmas.

If the evaporation of religious commitment has made Judaism an anachronism, Zionism is a term of abuse. Even the ultimate question of Jewish survival is often treated with indifference. New Zealand experience shows that it is possible to be polite, decent, and anti-Jewish, all at the same time.

The writer, a New Zealand political scientist, is now here on a sabbatical and lectures at Tel Aviv University.

Today, only about 37,000 Jews remain in an area that is largely Hispanic and Chinese, which makes another problem for Gratz.

"Some Jews don't want to remember any place but Park Avenue. They tend to think of this community as Orthodox Jews who haven't made it, and people have asked me why a synagogue should be restored in a neighbourhood where they would be afraid to walk at night."

Despite this, the building still serves as a centre of worship for the local community. A small congregation of 25-40 people uses its small basement synagogue to hold regular services. The family of Criminal Court Judge Harry Bookson, "has been praying there for five generations. They belonged to the founding congregation of Kahal Adas Jeshurun in 1886, and for Bookson 'the synagogue is a symbol of the continuity of American Jewish life.'"

The building holds similar meaning for Roberta Gratz. When it is fully restored she sees it serving as a museum of the American Jewish past, drawing Jews back into the neighbourhood that played such an important part in their development, and spurring further synagogue restoration.

"Restoring this synagogue is a chance for American Jewry to assert that it is here to stay, an opportunity to celebrate our roots in this place."

never seemed to develop a strong attraction to something as solid as buildings," she explains.

Roughly two million Jews passed through the neighbourhood in the peak immigration years 1880-1905.

On the highway between Norfolk and Virginia Beach, in a public park dominated by a green hill, known as Mount Trashmore, the local Lubavitch representative kindles a massive menorah for the community on the first Sunday of Hanukkah. Several thousand people attend, Jewish and non-Jewish. The annual theme is "illuminate the night with the festival of light."

David Geffen

**Damascus Affair documents uncovered:** Original documents detailing a joint effort by four American Jewish communities in 1840 to protest the torture of Jews in Damascus have been uncovered by the American Jewish Historical Society.

The papers include handwritten letters from Moses Montefiore, the most prominent Jewish leader in the world at the time, and U.S. Secretary of State John Forsyth, as well as minutes from public meetings protesting what is widely known as The Damascus Affair.

Bernard Wax, director of the society, recently discovered the letters in a metal container among the papers of the late Rabbi Edward Klein of the Free Synagogue in New York.

"The Damascus Affair was a pivotal event in American Jewish history," Wax said. "It marked the first time there was an organized protest involving more than one Jewish community to protest outrages against Jews in another country."

The Damascus Affair was a blood libel that occurred in Syria in 1840 when 13 Jews were imprisoned and tortured for the alleged ritual murders of a Christian monk and his servant. Two prisoners died from the torture and one converted to Christianity.

The incident exploded into an international affair. Minutes of meetings held in American communities protesting the imprisonment and torture of the Jews in Damascus, newspaper clippings describing the protests here and abroad and a letter to then President Martin Van Buren, were among the papers uncovered.

The Jewish World, which appears on alternate Tuesdays, is edited by Aryeh Rubinstein.

## What would Hillel say?

Edwin Black

SHOULD Hillel directors in America officiate at mixed marriages? B'nai B'rith Hillel Foundations were established on U.S. campuses to set an example for Jewish life and to strengthen the Jewish students intellectually and spiritually. To serve all Jewish students implies a commitment to pluralism. But that very spirit taken to extremes has led a tiny group of Hillel rabbis to conduct mixed marriage ceremonies.

Hillel's national officials are torn between their sense of Jewish correctness and the organizational idealism, which regards intellectual freedom as one of Judaism's highest expressions. So Hillel headquarters in Washington has maintained official silence on the controversy. But it does prohibit the conducting of such ceremonies on Hillel premises.

No problem. A small group of Hillel directors across the nation - all of them Reform rabbis - regularly use outside facilities for the ceremonies.

"It's scandalous that any rabbi should do such a thing, but especially at Hillel," declares Rabbi David Lincoln of Chicago, a member of the (Conservative) Rabbinical Assembly's Committee on Jewish Law and Standards. "First of all, it's not a marriage under Jewish law. And it's hardly in line with the Hillel mandate to infuse Jewish identity in our youth."

Rabbi Albert Axelrad, of Brandeis, the leading Hillel director performing mixed marriages, concedes that his Central Conference of (Reform) Rabbis "frowns on rabbis performing them," as does the Hillel organization itself. But neither group specifically prohibits it, he adds. He defends his practice on the grounds that it "strengthens the continuity of the Jewish people."

B'nai B'rith Hillel International will say it has no national policy on mixed marriage because its directors "operate as individual rabbis, not on behalf of Hillel," explains Rabbi Richard Marker of Illinois Hillels. And Larry Moses, Hillel's international director, adds: "We believe that intermarriage is a severe problem of Jewish life, and Hillel is dedicated to the ideal of Jews marrying Jews."

NOTHING would be easier than to

call for the heads of the rabbis engaged in mixed marrying. But ask the individual Hillel directors themselves and you will discover compassionate rabbis, each struggling with a dilemma American Jewish society itself has not solved.

"I remember back in rabbinical school, I could be sympathetic with people desiring mixed marriages, but it wasn't something a rabbi ought to do," explains Rabbi Larry Edwards, Hillel director at Cornell. "But once I came on campus I confronted real situations with real people, and everything changed."

"I would meet two very sincere people in love," he recalls, "one quite serious about being Jewish, the other not Jewish but interested in Judaism. I would tell them that they were nice people but that I couldn't officiate at their wedding. But I did officiate at weddings of Jewish couples who weren't very interested at all in being Jewish. It struck me as a contradiction. So I began to think harder about what my role was."

For five years at Dartmouth, and during his first year at Cornell, Rabbi Edwards did perform about 15 mixed marriages. Four years ago he stopped. "You can call it the pressure of the broader community," he says, "but it's really more complicated. It's my sensitivity to that community and my own ambivalence on the subject."

"IF SUCH a couple comes to a rabbi," asserts Rabbi Bob Saks of the University of Maryland Hillel, "already the Christianity of the non-Jewish partner is weak, and the family is a good candidate for being turned into a good Jewish family. When you have that much going for you, why put obstructions in their way?"

Most of the rabbis who perform mixed marriages are as selective as Rabbi Yechiel Lander of Smith College Hillel. "They must agree to have only one religion - Judaism," he explains, "they must raise their kids as Jews, and affiliate with the Jewish community. And they must agree to study with me a year and a half."

## Masorti answers

Ze'ev W. Falk

THE MASORTI movement is the ever-growing Responsa literature is the 45-page booklet recently published by the law committee of the Masorti (Conservative) Rabbinical Assembly of Israel.

The committee acts as a kind of chief rabbinic for the almost 40 Masorti congregations in Israel, for Kibbutz Hanaton in Lower Galilee, and for the Ramah youth camps in Israel. The three-man body, headed by Rabbi Tuvia Friedman, has since been expanded to five.

Entitled *T'shuvo' Va'ad ha-Halacha shel Knesset Harabanim b'Yisrael*, this first collection of Masorti Responsa presents a clear challenge to the prevailing attitude of the Orthodox rabbinate in its learned and reasoned presentation.

In his preface, Rabbi Friedman defines the two objects of Masorti legal interpretation and application: The decision must be based on a thorough, scholarly survey of the historical evolution of present views and practices, also demonstrating the pluralism (*ribbut anpin*) that is basic to Jewish tradition. And the decision must be closely related to the social, economic and moral conditions of our society if it is to play an effective role of spiritual guidance.

The first query deals with Jewish visitors to the Temple Mount. Rabbi David Golinkin, the chairman concurring, concludes that only the elevated site around the Dome of the Rock should be avoided because of our being defiled by contact with the dead. The area of the El Aksa mosque and the northern area, on the other hand, may be visited.

Rabbi Reuven Hammer, in a separate votum, permits even visits to the central part, assuming that the sanctity of the site ended with the destruction of the Second Temple. But he demands a moral scrutiny prior to the visit by the recital of Psalm 15 or 24.

I missed any discussion of the political aspects. The prohibitive stand taken by the overwhelming number of Orthodox rabbis (former Chief Rabbi Shlomo Goren is an exception), if it were followed by all Jews, would endanger our political claim to the area, and this point should be taken into account.

Another responsum concerns the observance of the Tisha b'Av fast after the restoration of the state and the liberation of Jerusalem. In the chairman's opinion, Rabbi Hammer concurring, the fast should be broken after an early Mincha service. Rabbi Golinkin favoured maintaining the day-long fast.

(Where its members are divided, the Law Committee allows the questioner to choose between the majority and the minority opinion. A unanimous opinion is considered binding.)

Again, I would have welcomed some suggestion that our shortcomings (our own and our society's), rather than the historical political catastrophe, be at the centre of our meditation.

A unanimous responsum on the Shmitta year is presented by Rabbi Golinkin. Both the views of Rabbi Kook, calling for the sale of all

Some vindication for a rabbi's judgment appears when the non-Jewish partner later converts to Judaism. In the case of Rabbi Lander, about a third have converted during the past 16 years. This approximates the national estimate of mixed marriage conversions to Judaism. But the number is far fewer for Hillel directors such as Axelrad who do not require follow-up.

Since 75 per cent of Hillel's funding and much of its supervision comes from local Jewish federations, the Hillel movement is communal property. And although the rabbis perform the ceremonies in their "private capacity," Hillel's "unofficial auspices" are clear.

In the case of Rabbi Axelrad, for example, a third of the several hundred dollar fee for each mixed marriage is written as a separate check payable to "Brandeis Hillel." Since he performs only six or seven mixed marriages a year, the sum is negligible. But symbolically, it means that Hillel makes money from mixed marriages, and that Hillel's imprimatur is indirectly stamped on every ceremony.

LARRY MOSES of Hillel's national office denies that Hillel becomes involved even if it receives a percentage of every Axelrad fee. "If someone wants to write a check out to Hillel instead of to the rabbi," he argues, "what are we going to do, ask if the check is ethically correct?"

Yet there is little doubt that the families of the intermarried couples themselves believe they are being married under Hillel auspices. One Jewish man whose intermarriage was solemnized by Rabbi Axelrad cherished what he considered his "Hillel sponsorship."

"I telephoned the Brandeis Hillel," he recalled. "We received literature in their envelope and were interviewed in the Hillel itself. Four other rabbis had turned me down. Rabbi Axelrad was the only one who would accept us."

"It was of immense help to my parents to know that we were working through a national organization such as B'nai B'rith's Hillel."

After this article was written, B'nai B'rith President Seymour Reich issued a statement which says in part:

"The Hillel facilities have always been out of bounds for such private religious ceremonies, and so there has never been a question of official B'nai B'rith involvement. Now it should also be plain that we object to the practice on principle. The policy of the B'nai B'rith Hillel Commission is that no Hillel director may perform such ceremonies in their professional capacity as Hillel Director. In our view, this prohibits such involvement with students or faculty anywhere - on or off campus."

But Rabbi Abie Ingber, president of the Association of Hillel and Jewish Campus Professionals, issued a statement reaffirming the right of Hillel rabbis to officiate at mixed weddings in their private capacity. "Hillel stands committed to the continuity of Jewish tradition and Jewish life, while at the same time it is also committed to religious pluralism. Therefore, Hillel will not tell rabbis what to do, but will say what Hillel Foundations may do."

Hillel at Brandeis confirmed yesterday that Rabbi Axelrad is still performing mixed marriages. Hillel personnel offered to mail interested callers a copy of the rabbi's printed step-by-step instruction sheet on the subject.

The writer is author of the prize-winning *The Transfer Agreement: The Untold Story of the Secret Pact Between the Third Reich and Jewish Palestine*.

## Traffic and Parking Regulations:

Christmas 1986 in Bethlehem

From 6:00 a.m. on December 24, until 5:00 a.m. on December 25, 1986, traffic and parking restrictions will be in effect at the hours and locations given below:

- 1. Traffic Restrictions - Bethlehem**
  - a. Entry to the Bethlehem area will be permitted only to vehicles bearing the appropriate parking stickers. The Israel Police will direct these cars to the parking lots.
  - b. During the Patriarch's procession from Jaffa Gate to Bethlehem (11:30 a.m. - 1:00 p.m.) traffic will be prohibited. All traffic on the Jerusalem-Hebron road, within Bethlehem, will be diverted via the Elat Road, Tekoa-Za'ara-Tzur Bahar. Traffic to Gilo during these hours will be diverted via the Patt neighbourhood and the new road.
- 2. Parking Restrictions**
  - a. Parking will be prohibited on Manger, Ras Patis and Wac Ma'al Streets.
  - b. Parking arrangements in the city of Bethlehem will be in accordance with police instructions.
- 3. Public Transport/Special Transport Services**
  - a. Buses
    1. From 8:00 a.m. on December 24 to 3:00 a.m. on December 25, continual bus service will be provided for organized groups and individuals between the Egged depot at Talpik ("Itir") to Bethlehem in both directions, and from Bethlehem to the Central Bus Station in Jerusalem, via the Egged depot in Talpik.
    2. A bus service from East Jerusalem (Sticker no. 6) will operate between Damascus Gate and the Bethlehem Cinema (Madbassah Square), in both directions.
  - b. Taxis
    - Local Arab taxis (black numerals on a green background) and Israeli registered taxis (black numerals on a yellow background) will provide services from Jerusalem Madbassah Square (sticker no. 6).

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## Incitement to arson

Anti-Semitic articles in Romania

Violently anti-Semitic articles have recently appeared in two Romanian publications, including the Communist Youth League weekly. The French news agency AFP reports from Bucharest that Romanian Chief Rabbi Moses Rosen believes that these publications "have created a climate" which made possible the recent torching of a Moldavian synagogue.

The fire which damaged the Bolshoi Synagogue broke out during the night of October 30-31. Four young

## THE FOUR CORNERS

men have since been tried and convicted of robbery and arson. The AFP correspondent quoted unnamed Jewish and Israeli sources in Bucharest as describing the fire as "an anti-Semitic act."

The Communist youth weekly recently published a poem describing the arrival in Romania "of a poor and miserable people. We slashed

their throats and hung them on hooks." The word "Jew" does not appear in the text but it is generally assumed that the poem refers to the 1941 Bucharest pogrom during which three men, including the synagogue's cantor, were murdered and hung on butcher hooks by neo-fascist partisans of the then dictator, Gen. Ion Antonescu.

The popular weekly *Sapientia* published a "historic" study claiming that the 1941 Iassi pogrom resulted in the death of "only" 500 people while it is generally assumed that between 4,000 to 12,000 died in the mass massacre of the city's Jews.

Several anti-Semitic articles appeared in the official press four years ago, most of them signed by a poet, Corneliu Vadim Tudor, noted for his close connection with the country's top leadership. After Rabbi Rosen protested, President Ceausescu promised that he would personally "see to it" that this sort of incident did not recur.

Ceausescu also promised to stop the publication of the anti-Semitic writings of a 19th-century poet, Eminescu, and formally condemned anti-Semitism and called on the Communist Party to combat it.

**Public Menorot in the U.S.:** The outcry in the American Jewish community about Christmas displays on public property in various U.S. cities has not prevented an ever-increasing number of Hanukkah menorot from being lit publicly in various locales in the U.S. Here are some examples.

At Fort Sill, Oklahoma, a giant menorah carrying a mural of the Macabees battling the Syrians is lit nightly in front of the Jewish chapel there. In New Rochelle, N.Y., the Beth El synagogue (Conservative) has a massive menorah on its towering roof which can be seen for miles around when lit. In swanky New York apartment buildings along Central Park West and Fifth Avenue the lobbies are adorned with a Hanukkah menorah and a Christmas tree.

In Norfolk, Virginia, two dramatic lightings occur annually. Downtown, in the heart of the city, members of the Daughters of the American Revolution (DAR) watch nightly as members of the local Jewish community kindle the menorah in the restored colonial home of Moses Myers, a Jewish resident of the city

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## Breaking the mother-child symbiosis

Deeply imbedded attitudes and habits make it difficult for fathers to challenge mothers' monopoly on child care, Lea Lavavi reports.



THOUGH MOTHERS may complain bitterly about being saddled with prime responsibility for child care, they are reluctant to involve their husbands too far — even if the husbands are willing — because they see it as an encroachment on their territory.

At a recent conference on parenthood held by the Bar-Ilan University sociology department and the Sociologists' Association, psychologist Rachel Levy-Schiff — a lecturer in psychology at Bar Ilan — talked about the role of the father in early childhood.

"One working woman told me that her husband had suggested that she support the family while he stayed home with the baby. She was absolutely shocked by the idea. Working is one thing, but primary responsibility for earning a living should be the husband's, she felt, and child care should be her primary responsibility. I'm not saying there have not been changes in behavior with more women going out to work, but most women are still not ready to let their husbands too far into their traditional domain."

She said psychologists used to believe that fathers were less biologically capable of establishing a relationship with an infant than were mothers, but those myths have been dispelled by recent research. The example she chose, however, was not from research findings but from her personal experience.

"When my children were small, we still used cloth diapers and I had a very bad time putting them on the kids. My husband did it without any difficulty. Also, when the kids cried, they would cry even more if I held them but my husband was able to calm them down. Maybe it's because a mother under pressure conveys that pressure to the child through muscle tones or tone of voice."

The mothers' monopoly in the care of young children is partially legislated by, for example, the fact that mothers get maternity leave. "If the husband offers to get up in the middle of the night when the baby cries, the mother feels that she can't let him because he has to go to work the next morning and she doesn't." Mothers are also always getting advice from baby clinic personnel, neighbors and others, while there is

no "right" style of fathering. Differences in behavior between fathers are therefore greater than between mothers, she said.

STUDIES WHICH she and other Israeli researchers have done have indicated that fathers spend anywhere between 15 minutes and five hours a day with their young children, with more time devoted to them on weekends and holidays than during the work week. Fathers' involvement is also more likely to be play than giving care, though this is not universal. "One father told me confidentially that he is glad his wife can't nurse, though she's upset about it, because he can give bottles."

One of the father's important roles is to break the mother-infant symbiosis, she said. "If you go to a kindergarten, you will see that when the mother brings the child they both have a hard time parting. When the father brings the child, the child is more likely to say goodbye at the entrance to the kindergarten and go in alone."

In addition to the role the father plays in the child's life, there is also a role which having the child plays in the father's. "Fathers say they feel

more mature and responsible after their first child is born," she explained.

During the discussion which followed the lecture, sociologists from the audience pointed out that in ultra-Orthodox families fathers often spoil their infant daughters since once the girl gets a little older there is little father-daughter contact. Fathers in these families also take their children to the mikve before the Sabbath and holidays and perform other child-care duties, not out of an ideology of equality between the spouses but rather from technical reasons since their wives are busy preparing the Sabbath or holiday meal.

It was also pointed out that in the ultra-Orthodox communities, since education for boys and girls is separate even in kindergarten, there are by necessity male kindergarten teachers — something which exists only in the most ultra-modern kindergartens elsewhere. Someone also added that during a visit to Sweden she was told that an effort had been made there to introduce men into kindergartens, but the women kindergarten teachers turned them into handymen.

## When cooking causes cancer

THE LIVES of some 400 million citizens of developing countries who cook and heat their homes with charcoal, peat, dung, wood and agricultural waste, may be in danger.

According to Dr. Mostafa Tolba, director of the United Nations Environment Programme, the health of those people — usually women — who are exposed to the burning of such substances is likely to be seriously impaired and may result in premature death.

"Exposure to the smoke and toxic gases of cooking fuels is probably the most serious occupational health hazard known today," said Tolba in a recent issue of *World Health*. "Most people in developing nations still live as their early ancestors did, burning firewood, dried cattle dung and stubs of plants in poorly vented open hearths."

This practice is known to lead to chronic lung diseases, as well as cancers of the nose and pharynx. In the highlands of Kenya, for example, where it is cool and cooking is done indoors, the incidence of these cancers is much higher than in the warmer lowlands, where people cook outdoors.

**THE HEALTH SCAN**  
Judy Siegel-Itzkovich

Prof. Eilon explained that hormonal drugs work on the part of the brain that controls estrogen production in the ovaries. The treatment often stops premature menopause and allows such women to get pregnant. It also helps menopausal women with myomas.

PSORIASIS, THE itchy, scaly, skin condition that affects up to three per cent of the world population, has been shown to respond well, in many cases, to an activated form of Vitamin D, reports a Boston expert.

Dr. Michael Holick of Tufts University's human nutrition research center on aging said that all but one of 15 psoriasis patients who got no relief from other treatments responded well to the activated Vitamin D. More work needs to be done, he said, as these were only preliminary tests, but the data may herald a new approach to the treatment of the disease, he said.

A hormone manufactured in the kidneys that contains the activated Vitamin D was applied to the skin of patients, and also given to them orally. Some patients experienced a complete clearing of their lesions with any side effects. One patient, who had had the disease for 20 years found his skin had dramatically cleared up. But Holick warns it could be "years" before the vitamin is turned into a commercial medication, since larger-scale studies are needed to confirm the results.

SADLY, NOT a single one of the Soviet accident victims who received bone-marrow transplants immediately after the disaster is reported to be doing well. The transplants, which were performed by a team headed by U.S. Prof. Robert Gale, and Israeli transplant expert Dr. Yair Reisner were rejected by all seven recipients. Six others who received transplants from Soviet surgeons, were also reported not doing well.

Apparently, the severe effects of the radiation on the victims' bodies weakened them so much that their transplants failed to "take."

Under normal conditions, when the transplant is necessitated by leukemia or other diseases, donated tissue is rejected in only 30 per cent of the cases.

These statistics were presented at a seminar at the Kfar Sava Hospital, by Yitzhak Ben-Bassat, a hematologist.

The deputy health minister of the largest republic in the USSR said that an increasing number of unwanted babies were being born, and that the number of children with damaged nervous systems born to alcoholics and drug addicts had doubled.

The deputy minister wants to prevent alcoholics and drug addicts from having children, and to "make Soviets more accountable" for the lives and health of their children.

MORE THAN half of the births in the Third World — estimated at 57 million a year — are unwanted even by untutored birth attendants, not to mention a doctor, nurse or midwife.

According to World Health Organization statistics, this results in the high rate of maternal mortality in the developing countries. In Africa, 63 per cent of all women give birth alone, as compared with 22 per cent in Latin America, 73 per cent in Southeast Asia, 77 per cent in the Eastern Mediterranean and 9 per cent in the Western Pacific.

NOW THAT our Health Minister, Shoshana Arbeli-Almoslino, has ordered a smoking ban in hospitals, health clinics and her own office, the State of New York is going a big step farther.

The New York Public Health Council is working on a plan to require all employers to set aside a restricted area for smokers, and to ban smoking from all other areas at the workplace. Cigarette smoking will be prohibited in schools, bath rooms, waiting rooms, stores, banks, cinemas, hospitals, courtrooms and other public places.

But it will still be legal to smoke in private houses, bars, tobacco shops and hotels, according to the regulations, which should take effect in the middle of next year. Special anti-smoking inspectors will be sent by the government to enforce the regulations.

WOMEN WITH non-cancerous uterine tumours may now receive hormonal treatment that makes surgery unnecessary and may allow them to get pregnant for the first time, according to Prof. Daniel Eilon of Ichilov Hospital in Tel Aviv.

Speaking to Ne'amat members during "Women's Health Month," the endocrinologist said that the U.S. developed treatment has now been brought to Israel.

The growth referred to is myoma, a common, non-malignant uterine tumour that often develops after the age of 30 in women who have never been pregnant. It can cause sterility if it blocks the Fallopian tube, and can result in difficult childbirth if it occurs in a pregnant woman.

Little is known about the cause of the condition, but it is believed to be related to a disruption in normal cell maturation and growth. The new treatment will not come as surprise to those who treat psoriasis at the Dead Sea, where the sun's rays, lacking the dangerous radiation of higher sea levels, produce Vitamin D in the skin.

SOVIET HEALTH authorities have called, meanwhile, for a law that would require engaged couples to undergo medical examinations before marriage and force pregnant alcoholics and drug addicts to have abortions.

## Fighting for the homemaker's rights

Leah Abramowitz

made by the social worker or her representative in the neighborhood, especially when the situation at home is in doubt.

The various reports are studied by the director of the unit who also interviews each applicant personally. He and other members of the staff then conclude what level of disability compensation, from a range of four possibilities, to recommend to the NII. "If someone is dissatisfied with the percentage of disability we recommend, or if his functional situation declines," says Dr. Orkan, director of the institute at Mt. Scopus Hadassah Hospital, "he can appeal and then he is re-tested, but at a different branch."

SOME disability grants are given provisionally for a number of months only; all are reviewed after a period of time. Those women whose disability is 50 per cent or less rarely receive any money. If she is 60 per cent to 75 per cent disabled, she receives NIS 180 a month, "or enough to take some home help, but not much," says Recanti. Those with psychiatric cases with more than 50 per cent receive enough to get daily help or even a personal caretaker, through the "special fund provision" of the NII.

HOMEMAKERS came into their own in Israel in 1977 when a law was passed making them eligible for disability grants from the National Insurance Institute. Thus, a housewife who breaks her leg, contracts a disease or suffers from a chronic illness may be compensated, enabling her to finance personal or home help.

A special Institute for Functional Evaluation was set up eight years ago by the NII to determine the degree of functional loss for housewives. Two years ago, its framework was expanded to include testing some salaried workers. There are regional offices at Hadassah Hospital on Mt. Scopus, Tel Hashomer Hospital, and at Beit Lowenstein in Ramatana.

To avoid delay, the candidate's examinations are completed in one day. Some women see three or four doctors for a range of ailments: a neurologist, gynecologist, dermatologist, and psychiatrist might be one candidate's "route." Each doctor fills out an evaluation form.

Then, staff members test her ability to perform household tasks in a model kitchen equipped with all the common household appliances. Can she iron? Can she bake? Can she take a pot off the top shelf and put it on the stove? Can she hang up washing?

The two occupational therapists who conduct the examination and subsequently fill out another evaluation form are on the lookout for "actors" on the one hand and signs of unsuspected difficulties on the other. "Since we are housewives

ourselves," says Aviva Recanti, "we understand more readily both the problems and the potential for malingering. We check their hands to see if they're smooth and unworked. Hands are more reliable than personal reports of overworking or underworking."

The third component of the institute's joint evaluation is provided by the social worker. She interviews each housewife and those applicants employed outside the home who do not need the functional test of housekeeping skills. She tries to learn of family strengths and weaknesses, personal history, attitudes to self and to work and other related factors. She also receives information from outside sources. For example, blind candidates' home guides are interviewed since they have seen the applicant in his or her natural environment.

The professional workers who treat psychiatric cases are generally contacted. "Approximately 50 per cent of those interviewed are mental patients," says Rivka Klein, one of the two social workers who work at the institute in Jerusalem. Occasionally, home visits are

"We have no way of knowing what people actually do with the money they receive," says Rivka. "I suspect many just use the extra income for their daily expenses." Israel is actually one of the few countries which supplies special compensation to disabled housewives.

Dr. Orkan is concerned that not enough housewives (or even workers) know of their rights to apply for disability grants. Although the institutes are already operating at full capacity three times a week, and the staff sees between eight and 10 candidates at each session, he still prefers to increase his unit's workload rather than have people in need go without help.

Many candidates have left the offices of the institute after a thorough medical check-up with more than just a positive or negative evaluation of function. Some are told of previously undiagnosed illnesses. Some receive advice on how to manage or on kinds of apparatus that can make their lives easier — for example, special cutting boards for one-handed people or floor mops that can be squeezed out manually and without bending. Others get short-term treatment by the social worker or a referral to another agency or service. Many are directed to a rehabilitation worker to be retrained for another field of work.

Thus, the institute goes beyond its original function, not only testing function, but actually assisting many to function better.



# SPORTS

## U.S. FOOTBALL

### One playoff spot left

NEW YORK (AP). — Kansas City are in. Seattle are out. Cincinnati aren't sure and the New York Jets continue to reel as the National Football League heads into the playoffs.

The Chiefs, 10-6, held off Pittsburgh 24-19 on Sunday to clinch their first playoff berth since 1971 and complete only their second winning season in 13 years.

The Seahawks, who routed Denver 41-16 on Saturday, needed for either Kansas City or Cincinnati to lose on Sunday. Neither did, but the Bengals didn't clinch anything with their 52-21 mauling of the Jets.

The Bengals, who like Kansas City and Seattle finished 10-6, need a Miami victory over New England in the Monday night game to make the playoffs.

The Jets, who stood at 10-1 with the best record in the league late in November, are in the playoffs despite a five-game losing streak. They will win the AFC East if the Dolphins down the Patriots.

Also on Sunday, Cleveland completed a fine season at 12-4, the best record in the AFC, with a 47-17 romp past San Diego and Tampa Bay clinched the first selection in next year's draft by losing 21-17 to St. Louis.

On Friday night, San Francisco clinched the NFC West crown with a 24-14 victory over the Los Angeles Rams. The Rams will play at Washington in next Sunday's wild card.

In a Saturday game, The New York Giants secured the home-field advantage for the NFC playoffs with

a 55-24 rout of the Green Bay Packers. Here's a rundown of Sunday's contests:

**Chiefs 24, Steelers 19**

The Chiefs took a 24-6 lead thanks to their special teams and, despite being outgained 515-171 in total yardage, held on. They lost quarterback Bill Kenney with a sprained thumb in the fourth quarter.

**Bengals 52, Jets 21**

Quarterback Boomer Esiason threw a four-yard touchdown pass, four in the second half, against the injury-depleted Jets defense. The Jets took a 21-17 halftime lead behind running back Freeman McNeil's two touchdowns and a 96-yard touchdown return by Bobby Humphrey with the opening kickoff.

**Browns 47, Chargers 17**

Bertie Kassar finished off a sensational regular season by throwing for 258 yards and two touchdowns, including a 57-yard bomb to Brian Brennan.

**Cardinals 21, Buccaneers 17**

Redskins Val Siliakowski, who is headed to the Pro Bowl as a kick returner, showed why as he went 71 and 60 yards for punt-return touchdowns in the second quarter.

**Redskins 21, Eagles 14**

Washington overcame a 14-0 deficit with three fourth-quarter touchdowns. Quarterback Jay Schroeder hit Clint Dierker for a 36-yard score and threw to Don Warren for two yards to tie the game. George Rogers got the winning TD on a 5-yard run that capped a 70-yard drive.

**Vikings 33, Saints 17**

Wide receiver Tommy Kramer on the bench, Wade Wilson's two touchdowns passed as the Vikings finished the year with 300 points, breaking the team record of 283 set in 1965. It was the first time since 1966 that the Vikings won as many as nine games.

**Falcons 20, Lions 6**

Turk Schwanert threw for one touchdown and Gerald Riggs ran for two as Atlanta defeated Detroit 7-0. Detroit ended at 5-11 before 35,255 fans, the smallest crowd of the season at the Silverdome.

**Oilers 16, Bills 7**

Houston routed Jim Kelly's homecoming as

Tony Zendejas kicked field goals of 26, 51 and 22 yards. Kelly, who played for the USFL Houston Gamblers, lost 43 yards on six sacks, threw an interception and lost a fumble.

**Bears 24, Cowboys 10**

Doug Platter, in his first NFL start, threw two touchdowns passes and set up a third score for Chicago. Platter hit touchdown passes of 38 yards to Neal Anderson and 33 yards to Willie Gault in the second quarter.

**Colts 30, Raiders 24**

Indianapolis closed out its third consecutive win under Ron Meyer, who replaced Rod Dowhower as coach following the Colts' 13th straight loss. Gary Hogeboom's 11-yard touchdown pass to Bill Brooks with 7:32 remaining was the winning score.

**AMERICAN CONFERENCE EAST**

New England 10 5 0 467 778 280  
Y.N.Y. Jets 10 6 0 425 364 306  
Miami 8 7 0 533 405 371  
Buffalo 12 12 0 240 287 312  
Indianapolis 5 13 0 188 229 400

**CENTRAL**

X Cleveland 12 4 0 750 391 310  
Cincinnati 10 6 0 425 364 306  
Pittsburgh 9 10 0 373 307 336  
Houston 5 11 0 315 274 329

**WEST**

X Denver 11 5 0 688 378 327  
X Kansas City 10 6 0 425 364 306  
Seattle 10 6 0 425 364 306  
L.A. Raiders 8 8 0 500 323 346  
San Diego 7 13 0 259 335 396

**NATIONAL CONFERENCE EAST**

X.N.Y. Giants 14 2 0 857 371 326  
Y Washington 12 4 0 750 391 310  
Dallas 7 10 0 434 346 357  
Philadelphia 7 10 0 341 286 312  
St. Louis 4 11 1 281 218 351

**CENTRAL**

X Chicago 14 2 0 875 352 317  
Minnesota 10 6 0 563 396 373  
Detroit 5 11 0 315 274 329  
Green Bay 4 12 0 280 254 418  
Tampa Bay 7 13 0 125 229 475

**WEST**

X San Francisco 10 5 1 656 374 347  
Y.L.A. Rams 10 6 0 425 364 306  
Atlanta 7 8 1 408 308 399  
New Orleans 7 13 0 259 335 396

X-Clinched Division Title  
Y-Clinched Playoff Birth

## BASKETBALL

### Little guys upset Netanyahu

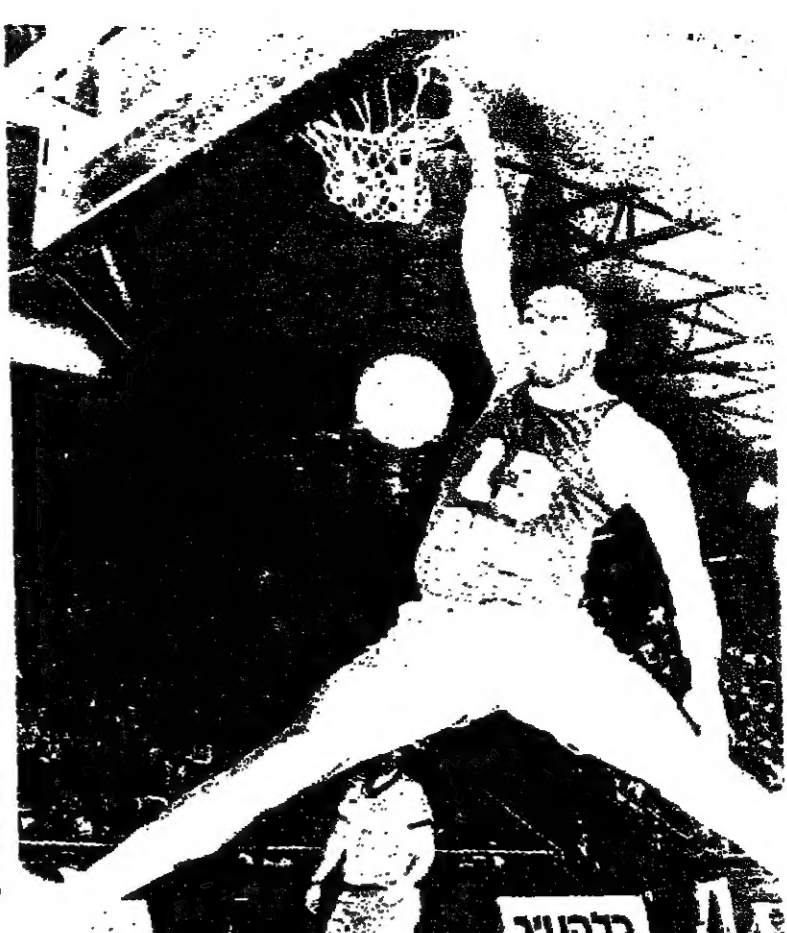
By DON GOULD  
Call it a shockwave that registered on the Richter scale. Call it David over Goliath, or at least the hired guns paid to topple the giants of the league.

Whatever you call it, the fact remains: Hapoel Gvat, newcomers to the league who are still battling relegation, beat Elitzur Netanya the once and former "Globetrotters," 95-82, in 5th round action on Sunday night.

When the same two teams met the first time in Netanya last October, Elitzur were an easy 13-point victor, even though they had not yet put their game together. This time around, it was expected that Netanya would have a cakewalk and thus hold onto their share of second place. The result was expected to severely hurt Gvat's chances of remaining in the National League next year.

By the time the final whistle blew, Elitzur Netanya found themselves in a tie for fourth place with Hapoel Tel Aviv, while Gvat, although still not out of the relegation woods, now stand in a tie for eighth place. Elitzur fell behind 13-2 early in the game, unable to cope with Gvat's slow-up zone defense. Netanya slowly re-organized behind the shooting of inside men Steve Malovic and Jim Johnston and closed to within two points at the half.

After the interval, Netanya grabbed the lead for the first time, 62-59. Gvat then went to the fast break and switched to man-to-man defence, causing Netanya to falter again. And when the fast break didn't materialize, Alan Hardy, who ended with a game-high 34 points, and Alon Shemer, who finished with 21, connected from the outside to put the game out of reach. Richard Mudd helped the winners' cause with 16 points and 16 rebounds.



MEAN. — When Hapoel Holon's Kenny Bannister means business, it means Holon is in business, as they were on Sunday night when they took Hapoel Jerusalem apart 96-75.

At Yad Eliyahu, injury-riddled Maccabi Haifa arrived with a classic case of lowered expectations. Even if Haifa had been at full strength, they would have had problems against Maccabi Tel Aviv. But without Doron Shefa (out with the flu), Richie Johnson (broken hand) and Tomer Steinhagen (dressed but also suffering from the flu), Maccabi Haifa didn't have a chance. Lee Johnson's 33 points, Kevin Magee's 25 points and 13 rebounds and Doron Jam-

chee's 23 points, many of them on spectacular driving lay-ins, helped the champions run roughshod, 115-68.

In the early game, short-handed Hapoel Tel Aviv bested Ashdod Betar Tel Aviv 84-76. Betar's Ron Davis, the league's high scorer, put on another brilliant performance, garnering 33 points.

Last place Hapoel Ramat Gan put up a game fight against second-place Givat Elyon, but went down, 89-92. Givat Elyon put five players in double numbers. Brad Lewis leading the parade by netting 25 points.

In a crucial bottom third of the standings match, Hapoel Haifa scored off determined Maccabi Haifa 95-92 and moved one point in front of their victims. The closely fought match saw fifteen three-pointers, nine by Haifa, five for Ashdod Betar and four by John Daisel and six by Or Green of Maccabi Ramat Gan. Green took scoring honours with 35 points, but it wasn't enough to overcome the better balanced attack of Hapoel Haifa.

Ken Bannister and Desi Barmore, each with 25 points, and James Terry, not far behind with 24, led a second-half surge by visiting Hapoel Jerusalem 96-75. The loss dropped Jerusalem into a tie with Maccabi Ramat Gan for tenth place.

In other basketball news, Hapoel Tel Aviv's captain Mike Laryer left this morning for the United States. Laryer has been suffering from lower back problems and has not played for almost a month, while different treatments have been inconclusive. It was finally decided to send Laryer back to the U.S. to let specialists there try and determine what has to be done.

STANDINGS AFTER 15 ROUNDS

Rank	Team	W	L	PF	PA
1	Maccabi Haifa	15	4	1076	1019
2	Givat Elyon	11	4	1399	1327
3	Hapoel Tel Aviv	11	5	1361	1259
4	Holon	10	5	1301	1294
5	Elitzur	10	5	1457	1377
6	Maccabi Tel Aviv	10	5	1377	1377
7	Maccabi Haifa	7	8	1336	1352
8	Hapoel Haifa	5	10	1279	1380
9	Hapoel Ramat Gan	5	10	1230	1440
10	Maccabi Ramat Gan	4	11	1331	1491
11	Hapoel Elyon	4	11	1298	1377
12	Hapoel Haifa	2	13	1316	1558

Numbers in parentheses indicate team positions last week.

## EUROPEAN SOCCER

### Napoli, Marseille, Barcelona, lead

LONDON (Reuters). — The Mediterranean coastline's unrivalled attractions for vacationers may be augmented by the addition of championship-winning European Soccer clubs next June if the current form of three revitalised teams continues.

After the last weekend before the winter break for much of Europe, Olympique Marseille, regenerated by Michel Hidalgo, sit on top in France, Diego Maradona's Napoli rule in Italy and Barcelona lead in Spain.

Of the three, only Marseille failed to win. They were held to a 0-0 draw at Laval while their chief rivals Bordeaux remained level on points, but behind on goal difference, at the top following a similar result at Toulon.

Both teams put the accent on defence as they consolidated a four point advantage over third-place Monaco at the top of the league.

Marseille unexpectedly included French international midfielder veteran Alain Giresse, who had been expected to miss the match, but even his skills had little effect on the outcome and he was substituted during the second half.

Bordeaux appeared to face an easier fixture at struggling Toulon, but their hopes of overhauling Marseille at the top were hit by a determined performance by the spirited South Coast team.

Racing Club de Paris finally enjoyed some reward for their bold spending spree in the close season when they beat Nancy 1-0 at home. Uruguay World Cup star Enzo Scifo scored the winning goal and inspiring a much-improved defence.

Napoli, seeking a first Italian title, maintained their unbeaten record with a 2-1 victory over Como and were given further cause to celebrate as defending champions Juventus crashed 4-1 at Sampdoria, their heaviest defeat yet.

Juventus coach Rino Marchetti, who succeeded Giovanni Trapattoni in the close season, partly blamed Danish World Cup striker Michael Laudrup for the continuing woes.

"He scored up another goal which could have reversed the match," Marchetti said, making an oblique reference to Laudrup's missed opportunities in defeat by Real Madrid in the European Cup, and Napoli, at home, in the Italian League.

Maradona continued himself by remarking that Napoli were growing stronger every day, but should have scored more goals than the two supplied by Luigi Caltanissetta against defensive experts Como.

Napoli's biggest challenge may now come not from Turin, but Milan. Internazionale lie second, two points behind, after an emphatic 3-0 defeat of Ascoli, and A.C. Milan are third, following a fine 2-1 win away over Roma.

Italian World Cup striker Alessandro Altobelli inspired Internazionale, now guided by Trapattoni's experienced eye, while Milan, without their English international Ray Wilkins and Marco Pantucci, were eased by Pope John Paul, who blessed the club on Saturday morning.

Antonio Viridi scored both goals and chairman Silvio Berlusconi was generous in his praise. "It went to my head and thanks to all the players as well as to the Pope because his blessing helped us."



AIRBORNE. — Inter Milan's Karl Heinz Rummenigge.

(Reuters telephoto)

In Spain, Barcelona maintained a one point lead over defending champions Real Madrid.

Barcelona beat Real Mallorca 3-1, with goals from Spanish defender Victor Munoz, England striker Gary Lineker and midfielder Roberto Fernandez, while Madrid won 1-0 away at Las Palmas thanks to an own goal from Juninho Rodrigues.

### Ski thefts may point to 'industrial spying'

VAL ZOLDANA, Italy (AP). — The theft of skis is routine at most resorts, but on the professional ski circuit stolen skis sometimes take on the aura of a James Bond spy affair.

Ski of several leading World Cup athletes have been stolen during races this season and last, fueling

speculation about possible cases of "industrial espionage."

Rumours are swirling on the circuit that rival manufacturers may be seeking to steal "winning secrets" from two leading ski makers who have been recent targets — the French company Rossignol and Atomic.

Ski officials and athletes are cautious, however, to go on the record in speculating about the motives of the ski thieves. "I had my skis stolen on my way back from the U.S., but maybe it was the work of a souvenir hunter, Michela Figini, the Swiss downhill superstar, said.

### Boxing champ gives up little — won't fight South African

LONDON (AP). — World welterweight Champion Lloyd Honeyghan said yesterday he was giving up the World Boxing Association portion of his undisputed crown because of South Africa's racial policies.

Honeyghan said he wanted to avoid the possibility of defending his WBA title against a South African, Harold Volbrecht. American Mark Breland is scheduled to meet Volbrecht in what had been billed as a final WBA eliminator for a shot at Honeyghan.

"If I agree to fight a South African, I could not look at myself in the

mirror," Honeyghan, who is black, said. "It breaks my heart to give up the championship so soon after winning it, but I made my position clear several years ago."

"To me, it would be like supporting the things that have happened out there."

Honeyghan, a West Indian native who now lives in London, won the world title earlier this year with a sixth-round knockout of American Donald Curry in Atlantic City, N.J.

The WBC has said repeatedly that it would consider barring any champion who defended against a South African or against a fighter who was an association member of a South African club. It also has a policy of banning for life any champion who works in South Africa.

### CRICKET Indians break records

KANPUR, India (Reuters). — India hit their record total in Test cricket, a massive 676 for seven, as the first test in their three-match series with Sri Lanka ended in a predictable, but high-scoring draw yesterday.

The total eclipsed India's previous highest test score of 644 for seven declared against the West Indies on

the same ground at Kanpur in the 1978-79 series.

In a rain-affected match, both teams settled for playing just one innings each and three Indian batsmen scored centuries as they replied to Sri Lanka's first innings total of 420.

opener Sunil Gavaskar, 148 not out overnight, reached 176 before he was caught by Srinath Westwood off the bowling of Graeme Labrooy. Mohanlal Ashram scored 113 and captain Kapil Dev scored 163.

TENNIS. — Spain, the top seeds, beat the United States 2-1 in the final of the Sunshine Cup, the boys' under 18 team tennis championships, on Sunday.

The Americans, seeded fourth, had caused an upset by defeating Spain in the semi-finals, 2-0, on Saturday, while Spain beat Sweden, the number three seeds.

ICE HOCKEY. — World and Olympic champion Sweden crushed a narrow 1-0 win over arch-rivals Czechoslovakia with a 13th minute Semyon Maltsev goal to win the European ice hockey tournament on Sunday.

The Soviets won three matches and lost one. Canada and Sweden followed with two wins each.

two losses each. Czechoslovakia and Finland both won one, drew one and lost two.

AFRICAN SOCCER. — Egypt's Zamalek clinched the African Champions' Cup on penalties despite losing the second leg of the final 2-0 to Ivory Coast's A.S. Sports on Sunday.

GOLF. — Amy Alcott sank a 10-foot birdie putt on the first hole of a three-way sudden death playoff on Sunday to claim victory for herself and her sisters partner, Bob Charles, in the best-ball 1986 Mazda Championship golf tournament.

The Charles-Alcott team pocketed \$500,000 in prize money from a purse of \$750,000.

### NBA Magic erasing memories

NEW YORK (AP). — The Los Angeles Lakers' embarrassing loss to the Houston Rockets in the National Basketball Association playoffs last season is becoming a distant memory.

With Magic Johnson collecting a season-high 38 points and 16 assists, the Lakers outscored Houston 17-5 down the stretch for a 103-96 victory on Sunday night.

Houston, with twin towers Akem Olajuwon and Ralph Sampson, appeared to be the dominant power in the Western Conference just a few months ago. Today, however, Los Angeles are 19-6 and the injury-

plagued Rockets stand at 9-15.

The Lakers outscored the Rockets 48-37 despite the absence of Magic Johnson, who was injured by a knee problem. Forward A.C. Green had a career-high 16 rebounds and 18 points.

The Rockets led 91-86 with 4:29 left, but Johnson scored eight points down the stretch to key the 17-5 surge.

"We showed a lot of grit and character in this win," Lakers coach Pat Riley said. "I told the kids that we had to be determined to win a minimum and look for good shot situations. We did that."

Lewis Lloyd scored 25 points for the Rockets, who have lost four straight games. Dirk Mitchell added 20 points and 13 assists and Olajuwon had 19 points and 13 rebounds.

In other games it was Warriors 127, Sox 112; Cavaliers 104, Pacers 94; Blazers 128, Celtics 101.

### Junior players prepare for Europe

By JACK LEON

TEL AVIV. — Leading South African squash coach Mike Symonds is spending four weeks here working out with the country's top 50 boys and girls between the ages of 10 and 19. His concentrated training schedule includes preparing the national junior team for February's European under-19 championships in Amsterdam. Israel Squash Rackets Association youth coach Hillel Bloomberg disclosed yesterday.

English-born Symonds, 41, is di-

viding his clinics between Haifa, Herzliya, Ra'anana and Ramat Gan.

His visit is the first project here of the ISRA's newly-formed youth committee, whose twin aims are to raise the level of the game at home and send an increasing number of teams and individual players abroad for competition.

Israel's No. 1 under-19 squash player Claire Levine continues to do well on her current European tour, which is also being provided by the youth committee. Levine, 18, reached the women's semi-finals of the high-calibre Dutch Open, last week.

### NHL Those Philly blues

PHILADELPHIA (AP). — Dave Poulin scored at 11:32 of the third period and Tim Kerr recorded his 12th career hat trick as the Philadelphia Flyers battled from behind

to a 7-6 victory over St. Louis on Sunday night.

In other NHL action: Whalers 4, Rangers 3; Blackhawks 7, Red Wings 4; Jets 4, Nordiques 4.

## TODAY'S ENTERTAINMENT

### TELEVISION

**EDUCATIONAL:**  
8.00 Teletext 8.05 Keep Fit 8.15 School Broadcasts 14.00 Teletext 14.05 Keep Fit 14.15 The Priest of Tournai — French film 16.00 Teletext 16.05 Teletext 16.10 Teletext 16.15 Teletext 16.20 Teletext 16.25 Teletext 16.30 Teletext 16.35 Teletext 16.40 Teletext 16.45 Teletext 16.50 Teletext 16.55 Teletext 17.00 A New Evening — live magazine

**CHILDREN'S PROGRAMMES:**  
17.30 News for Young Children  
18.00 The Return of the Antelope (part 8)

**ARABIC LANGUAGE programmes:**  
18.30 News roundup  
18.32 End of Empire  
19.30 News

**HEBREW PROGRAMMES (repeats at 20.00 with a news roundup)**  
20.00 United or Divided — TV game, commented by Shmuel Shai  
20.30 Kolobok  
21.00 Mabat Newsline  
21.40 Second Look — focus on matters of moment

22.20 Crazy Like a Fox — American series, starring Jack Warden and John Rubinstein. The Genom Machine  
23.00 Night Court — American comedy series  
23.30 News

**JORDAN TV (unofficial):**  
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic 20.30 Chan Attack 21.30 Yes, Prime Minister 22.00 News in English 22.30 Democracy and Malespence

**MIDDLE EAST TV (from T.A. north):**  
13.30 Another Life 14.00 700 Club 14.30 Shape-Up 15.00 Afternoon Movie: Shall We Dance? 16.30 Headlight 17.00 Flying 17.30 Muppets 18.00 Star Trek 19.00 News 20.00 The A-Team 21.00 Mac Gyver 22.00 Allworld 23.00 700 Club

### RADIO

**Voice of Music:**  
9.00 Morning Edition  
9.05 Handel: Dance Suite from "Il Pastor Fido"; Mozart: Symphony No.25, K.183; Schubert: Piano Quintet in A major, Op.114 "Trout"; Reger: Variations and Fugue on "The Bird"; Hiller: Op.100 (Beethoven's Piano Op.106)  
9.00 Dance: Wind Quintet in G minor; Bach: Canzona No.19; Mozart: Piano Concerto No.18 in G-flat major, K.455; Stravinsky: Symphony in C (H.P.O.J. Bernstein); Brahms: 4 Ballades, Op.10 (Gould); Nielsen: String Quartet in F minor, Op.46  
12.00 Teletext: Sonata for Flute and Harpsichord in C minor; Houtstetter: Suite for two recorders in D minor; Hiroza: Meditations for Alto Recorder; Berio: Movement for Alto Recorder; Cage: Sonata for two recorders  
13.05 Borodin: Polovtsian March (USSR/Soviet Union); Rach: "Twilight"; Op.35; Grieg: Piano Concerto in A minor, Op.16; Schubert: Karoline Suite, Op.11; De Falla: Three Corners Hat  
18.00 Young Music: Quartet: Joachim: Movement from Quartet in C minor; Shostakovich: Quartet No.8, Op.110; Stravinsky: 3 Movement for Quartet; Borodin: Quartet No.2  
17.30 Voices — Works by predecessors of Johann Sebastian of the Bach family  
18.00 Arles from Rimsky-Korsakov's "The Tsar's Bride" and Ysaac Dvorak's "Rusalka"; Smetana's "The Bartered Bride"; Tchaikovsky's "Eugene Onegin" and Mussorgsky's "Khovanshchina"  
20.00 Interlude  
20.30 Schnabel: Concert Piece for orchestra; Schubert: Piano Concerto in A minor, Op.54; Beethoven: Symphony No.3, "Eroica"  
23.00 Bach: Prelude Chorales for organ, part 3; Mozart: Horn Concert



# Opec goes for a quick price fix

After much wrangling, the oil cartel is going to cut output in a bid to raise petroleum prices to \$18 a barrel.

GENEVA. — The agreement this week to cut oil production to 15.8 million barrels a day puts the Organization of Petroleum Exporting Countries back where it was a year ago, before the price war was declared, albeit \$10 a barrel lower than the old \$28 "marker price" level.

The accord surpassed even the hopes of optimistic oilmen in heralding a return to the fixed-price structure which was abandoned here in Geneva last December. "The ending of 'netback' pricing is a most important development for the oil market," said Joe Rault Jr., a New Orleans oilman here to observe the proceedings. "If Opec acts on its plan to set fixed prices, West Texas Intermediate [the U.S. benchmark crude] will go to over \$20 per barrel almost immediately."

Rault added that this would be good news for the U.S. oil industry, which is suffering as never before.

Venezuelan Oil Minister Arturo Hernandez Grisanti said that the plan is to phase in fixed prices as soon as crude contracts permit. He termed the accord "a great advance" for the 13-member organization.

It is no secret that the new Saudi oil minister, Hisham Nazer, and King Fahd provided the driving force behind the off-doubt accord. Nazer was determined that his first Opec meeting should not fall victim to political squabbling between Iran and Iraq.

There were times last week when it appeared that Iraq's insistence on a quota equal to Iran's would scupper any hope of an agreement. The enmity between the two was exacerbated by Iraqi bombing of Teheran, the first for several months. Some political analysts interpreted the raids on the Iranian capital as an attempt by Baghdad to disrupt the Geneva talks because Iran suffers more from low oil prices.

But the desire of all other produc-

ers for higher, stable prices prevailed and Iraq was left out of the agreement, though allocated a 1.466 million barrels-a-day quota. Iraqi Oil Minister Qasim Taki Al-Oraibi "dissociated" his country from the accord and claimed in an official statement that the conclusion was a bogus one because it was not unanimous million barrels a day.

None the less, there was no mention of discord in the Opec communiqué. It is understood that Iran also refused to sign the agreement, because other members declined to include official censure of Baghdad's refusal to accept a quota lower than the 2.255 million barrels a day ceiling set for Teheran. Even so, the Iranian delegation said it backed the new pricing and production policy.

Iranian production could be running as much as a million barrels a day below its quota due to Iraqi attacks on Kharg Island, other loading facilities and the Iranian tanker shuttle service. Paul Motok, a New York analyst with Salomon Brothers, points out that this may offset any cheating by others.

The most important signal for the oil market, according to Motok, would be the news that Saudi Arabia is insisting on official prices and cancelling all the netback contracts which triggered last year's price war.

But observers sent here by the major oil companies doubt that Riyadh will cancel its netback deals immediately, since this could effectively end up thrusting Saudi Arabia back into the position of Opec's "swing producer," a role which it refuses to reassume.

The majors also point out the complications this might pose for Saudi barker oil involving the deals for British Tornado jet fighters.

The Observer learned from a Saudi delegate that King Fahd is determined to go back to fixed prices as the best means of stabilizing the oil market at levels neither too low to precipitate an import tax nor too high to encourage further conservation and substitution of other energy forms.

Only time will tell how successful Opec is in its latest initiative, but the strong support for the accord from the major powers within Opec argues in favour of production levels



Oil's well that ends well: Saudi Oil Minister Hisham Nazer and his Indonesian counterpart Subroto confer at last week's Opec parley.

which may eliminate the huge overhang of oil stocks accumulated last summer, when oil producers were flooding the market.

Grisanti estimates that companies and consumers will be forced to draw on stocks at a rate of at least 2.5 million barrels daily in the first quarter. Other delegates believe this will place Opec in a good position to weather the much-feared spring period when oil demand tends to fall sharply. Even then, they point out that Opec oil demand should be well above the 15.8 million barrels daily quota which has been set for the first half of 1987, and may be extended for the whole year.

Yet sceptics point out that Iraq will then have production capacity of 2.5 million barrels daily, and could ironically be exceeding even the quota set for Iran. Nonetheless, Opec sources indicate that King Fahd's deal with Iran includes a promise not to permit great excesses by its warring neighbour. Much of Iraqi crude has to be transmitted through Saudi Arabia.

Delegates point out that the summer is still a long way off, and that there is likely to be an extraordinary Opec meeting before the next regular biannual session set for June 25 in Vienna.

They also emphasize that promises of assistance from Norway, Mexico, Oman, Malaysia and other non-Opec producers will also help stabilize the oil market through next summer. The irony of this is that it may also give a critical pre-electoral boost to British Prime Minister Margaret Thatcher, who remains steadfast in refusing to act in concert with Opec or other oil producers.

The pound sterling is bound to strengthen and British government tax revenues to increase if Opec achieves its pricing objectives in three to four weeks as Opec President Alhaji Riluwan Lukman, the Nigerian oil minister, has predicted.

(London Observer Service)

**Oil prices touch \$18 a barrel on world markets — see page 9**

## Sde Dov delays a take off

Almost since its inception, Tel Aviv has been a city moving northward. It moved north out of Jaffa, north up Allenby, Ben Yehuda and Dizengoff, and then north over the Yarkon River. The last great stretch of Tel Aviv land available in that northward march is several thousand dunam of dunes and scrub, used by the Transport Ministry for Sde Dov, the quasi-civilian, mostly military airport, that sits like a bone in the throat of all that is reasonable in city planning for north Tel Aviv.

Shamai Assif, the city engineer and the man responsible for planning the way the city will grow and develop, has a dream. He can look at aerial maps of Tel Aviv and see housing projects and leisure spots in the area now defined by the airport.

landowners was overridden by Transport Minister Ham Corfu, who technically is the airport's guardian, as were several court decisions ordering the ministry to give up the property.

But the real power behind the status quo at Sde Dov is the Air Force. Indeed, it is believed that the Air Force was behind Corfu's decision.

City Hall would like to see Sde Dov go and is using private interests to press the authorities.

City Hall has already pushed through the all-powerful Interior Ministry District Planning Commission the construction of Azorei Hen, a luxury neighbourhood. The new neighbourhood is being built almost directly beneath the flight paths of the light and not so light airplanes that land at Sde Dov. In another 18 months or

## SKYLINE

Robert Rosenberg

Sde Dov was built on land expropriated by the British authorities from hundreds of Tel Avivians who planned to use the land for building homes and stores. The residents assumed that once World War II was over, the airport would be dismantled.

Attorney Haim Katzman, an ambitious Labour Party politician, looks at those aerial maps and sees thousands of voters who own plots of land on which the airport's tarmac now spread.

Sde Dov was built on land expropriated by the British authorities from hundreds of Tel Avivians who planned to use the land for building homes and stores. The British said the war effort made it necessary to build a small airport close to Tel Aviv, and with the power of the High Commissioner, and the agreement of the residents, they did so.

The residents assumed that once the war effort was over, the airport would be dismantled and that the privately owned land would be developed. That never happened.

Almost 20 years ago, when the Technion Lamed neighbourhood was being planned, Sde Dov was marked on the map as "a temporary airport, due for dismantling." But today, contrary to expectations, Sde Dov is still there.

The Transport Ministry, which controls the area around Sde Dov, and the Air Force, which is its prime user, have both refused to talk with landowners about the property. A state attorney's agreement with the

so, when tenants begin moving into their apartments, the pressure of private interests will become a little bit stronger.

Attorney Katzman, who considers himself a Labour Party candidate for mayor, is trying to help those private interests along. He's organized many of the Sde Dov landowners, as well as their heirs (and heirs to heirs), turning the matter of ownership into the kind of legal maze that can give a developer nightmares.

Katzman and his clients have a plan to move Sde Dov into the sea. "If Logan Airport in Boston, LaGuardia in New York and dozens of other airports in the world can be built in the sea, so can Sde Dov," says Katzman.

He estimates it could cost \$100 million to rebuild Sde Dov in the sea. The money could come from the sale of state land in the area, from the land betterment taxes that would accrue on the privately held land and the construction of a marina and resort area on leased property.

Katzman is using the fight to attack Mayor Shlomo Lahat, but his tactic may have backfired. Every time a private interest joins in the fray to pressure the Transport Ministry and Air Force to abandon Sde Dov, City Hall's plans for north Tel Aviv look a little more likely to come to fruition.

Lahat has a reason to smile.

## TAX REFORM—U.S. STYLE

### Some good and some bad news

By MURREL KOHN

The Tax Reform Act of 1986, the package of changes in the U.S. tax code that go into effect over a two-year period starting January 1, is expected to cost the U.S. Treasury \$120 billion over the next five years in reduced tax revenue from individuals. That is because the number of tax brackets is being reduced from 15 to two, with the top bracket being taxed at just 28 per cent as against 50 per cent under current law. The standard deduction, meanwhile, is being boosted to \$5,000 from \$3,670.

But a closer examination of the new rules shows that the government will be taking as well as giving. The new regulations make it harder to evade taxes, especially for U.S. citizens residing abroad, and many deductions have been eliminated.

Here are some of the major changes U.S. taxpayers should expect:

dividends) of children under age 14 will be taxed at the higher of the parents' marginal rates.

**ITEMIZED DEDUCTIONS:** Itemized deductions include medical expenses, other taxes, charitable contributions, mortgage interest, casualty losses and miscellaneous items such as investment advisory

TAX COMPUTATION: The effect of the new law is clearly demonstrated in the following example:

A married couple with two children working in the U.S. whose income consists of salaries (\$35,000), interest (\$1,900) and net

## THE NEW TAX RATES

Next year is a transitional period during which there will be five tax brackets with the highest rate 38.5 per cent. In 1988 and thereafter, there will only be two brackets of 15 and 28 per cent. A married couple filing jointly with two personal exemptions would pay as follows:

1987	Range \$	%	1988	Range \$	%
0	3,001	11	0	29,750	15
3,001	28,001	15	29,751	71,900	28
28,001	45,001	28	71,901	171,050	33*
45,001	90,001	35	171,051	over	38.5
90,001	over	38.5	over	over	38.5

\*The extra 3% is added in order to cancel out the 15% bracket and personal exemptions. The result is that all income is taxed at 28% when in this case, it reaches \$171,050.

fees, tax-return preparation, safety deposit box fees and unreimbursed employee business expenses. Major changes include limiting the interest-expense deduction and the reduction of deductible medical expenses. Items no longer deductible starting in 1987 are state and local sales tax and miscellaneous deductions equal to 2 per cent of gross income adjusted for certain deductions.

**STANDARD DEDUCTION:** The standard deduction, a fixed amount, is deductible when greater than itemized deductions. It will be indexed for inflation beginning in 1989. Under the new law the standard deduction for a married couple filing jointly will increase from \$3,670 in 1986 to \$3,760 in 1987 and \$5,000 in 1988.

**DEPENDENTS AND CHILDREN:** The new law no longer allows the personal-exemption deduction by those eligible to be claimed as a dependent. In addition, the unearned income (interest and

long-term capital gains (\$5,700) will have the following tax liability: \$5,895 in 1986, \$4,987 in 1987 and \$4,477 in 1988.

The multitude of changes presents a unique opportunity to act in 1986 (before most of the changes go into effect) or to delay transactions until 1987 or 1988. In any event, taxpayers would do well to compare the tax effect of proposed transactions between 1986, 1987 and 1988 in the time left this year.

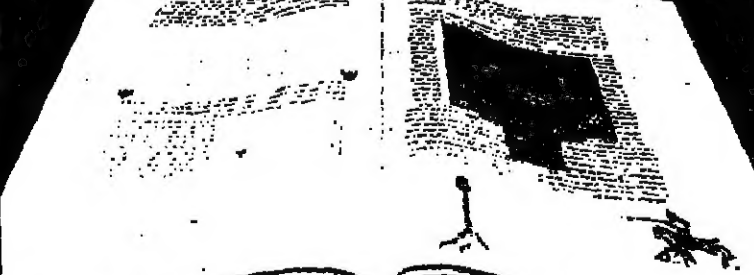
Murrel Kohn is a Certified Public Accountant living in Jerusalem. This is the second of a four-part series.

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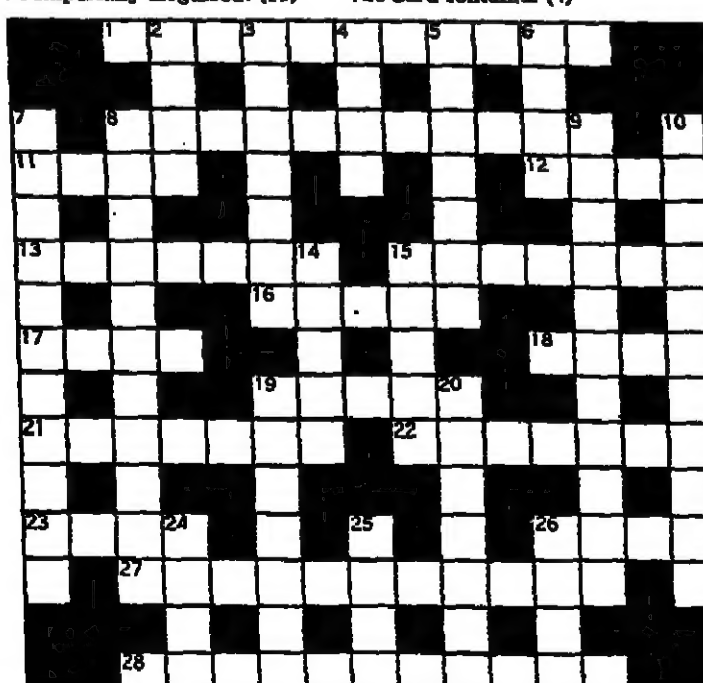
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## CROSSWORD

- ACROSS**
- 1 Solemn Australian appearing in Hamlet (5-6)
  - 8 Fashion—bustle refit for painted ladies, perhaps (11)
  - 11 Dainty one caught in mesh (4)
  - 12 Break for refreshment (4)
  - 13 Majestic Norman, sweet in the garden (7)
  - 15 Rarebit spread for referee (7)
  - 16 Unpleasant name given to filthy dwelling (5)
  - 17 Grub commonly found in wheat stores (4)
  - 18 Ring-road, junction and bypass? (4)
  - 19 Sail from Italian port (5)
  - 21 This rustic, around fifty, would be affable (7)
  - 22 Plant Nel's pig destroyed (7)
  - 23 Rude sound regretted (4)
  - 26 Hollow warning given by schoolboys (4)
  - 27 Said of a home in which revised rent is ideal? (11)
  - 28 Imperially disguised? (11)
- DOWN**
- 2 Drive off—journey is complete (4)
  - 3 Old soldier never at re-assembly (7)
  - 4 Old craft by day—or night (4)
  - 5 Pictures here, right in ship's kitchen (7)
  - 6 Vessel zigzagging, then taking a right? (4)
  - 7 An ounce of salon-powder scattered (4-7)
  - 8 Slip for one standing? (6-5)
  - 9 Drove one mad, being so dewey-eyed (11)
  - 10 Yarn-spinner and fabricator (5-6)
  - 14 Painter fellow—and French with it (5)
  - 15 "Soldier, full of strange oaths" (5)
  - 19 Small and ugly-looking, like international financier (7)
  - 20 Kind of spoon or stick put in beer (7)
  - 24 River engulfs northern valley (4)
  - 25 Coins buried in Treasure Island (4)
  - 26 Card container (4)



## SCRIBBLE PAD

Yesterday's Solution

POUND LOOKING UP  
ALAN DEEPSLEEP  
IRE YRTEE  
NOES BOARD ONER  
FLA FAL  
C LIGHTINDUSTRY  
CASH CHOPCHA  
OBSERVEONICE C  
AL FNGH  
VICE MAINS JUST  
THAKE SALS  
SMALLBER HAREM  
L S A C A C A  
THEOSOPHY MASON

Yesterday's Quick Solution

ACROSS: 1 Teller, 4 Storey, 7 Aftermath, 9 Debt, 10 Hull, 11 Tutor, 13 Retail, 14 Ladies, 15 Gimlet, 17 Plaid, 19 Dairy, 20 Mine, 22 Step, 23 Terminate, 24 Lifted, 25 Expect.

DOWN: 1 Trader, 2 Loft, 3 Rueful, 4 Symbol, 5 Oath, 6 Fields, 7 Abatement, 8 Humiliate, 11 Tired, 12 Rally, 15 Gambol, 16 Talnaud, 17 Prince, 18 Expert, 21 Test, 22 Stop.

## QUICK CROSSWORD

- ACROSS**
- 1 Young sheep
  - 3 Person making formal pledge
  - 9 Triangular part of wall
  - 10 Of greatest height
  - 11 High ball
  - 13 Ladies' fashion model
  - 14 Grating sound
  - 16 Ruined
  - 18 Seaboard
  - 20 Sorrowful
  - 22 Sell illicit alcohol
  - 23 English classic race
  - 25 Dictionary of selected words
  - 26 Vegetable
- DOWN**
- 1 Lawful
  - 2 Riotous crowd
  - 4 Tedious speech
  - 5 Large sailing ship
  - 6 Quavering
  - 7 Entourage
  - 8 Sporting side
  - 12 Venetian boat song
  - 14 Forerunner
  - 15 Trombone
  - 16 Knee-cap
  - 17 Vocalist
  - 19 Whirlpool
  - 21 Senior member of body of colleagues
  - 24 Sussex resort

## GENERAL ASSISTANCE

### EMERGENCY PHARMACIES

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Tel Aviv: Benny, 174 Dizengoff, 222986; Kupat Holim Clalit, 7 Amsterdam, 225142; Netanyah, Hanassi, 38 Sderot Weizmann, 22638.

Haifa: Hanassi, 33 Sderot Hanassi, 333312.

### DUTY HOSPITALS

Jerusalem: Hadassah Ein Karem (pediatrics, E.N.T.), Bikur Holim (internal, obstetrics), Shaara Zedek (surgery, orthopedics, ophthalmology).

Tel Aviv: Rokeh (pediatrics), Ichilov (internal, surgery), Netanyah Laniado

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Beersheba 74757 Carmiel \*989555  
Dan Region \*781111 Petah Tikva \*523111  
Eilat 7233 Rehovot \*451333  
Hadera 22333 Rishon LeZion 942333  
Haifa \*512233 Safed 30333  
Holon 33333 Tel Aviv \*240111  
Holon 83133 Tiberias \*501111

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Jerusalem Institute for Drug Problems. Tel. 053828, 653902, 14 Bethlehem Rd. The National Poison Control Centre at Ramat Hashikma, phone (04) 529205, for emergency calls, 24 hours a day, for information in case of poisoning.

Kupat Holim Information Centre Tel. 02-433900, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

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### PERSONAL EXEMPTIONS:

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take off

As we write this, our leaders are still considering what to do with their taxes. We therefore take the opportunity to consider two relevant items, one of which is on the governmental agenda while the other, because the prevailing optimism chooses to ignore it, is not.

The first concerns the possible taxing of the Tel Aviv Stock Exchange. As noted in this column when the "crisis" broke - two weeks ago, though it is hard to believe - there are many valid reasons for taxing the exchange. From the macroeconomic point of view, there is little logic and even less justice in taxing earned income and letting unearned income go free. That gaping hole has been partially closed, under the proposed tax reforms, by levies on interest from bonds, savings schemes and provident funds. The extension of this principle to the stock exchange is thus all the more desirable.

The question of whether a capital gains tax, in the full sense, could be implemented, is another matter, because if it brings only meagre results, or costs almost as much as it collects, it is not worth doing. This is one argument put forth by the huge lobby of the stock market's vested interests against the tax. They imply that the Israeli tax-collection mechanism is so incompetent that it could never do what the U.S., the British and others have been doing for decades, namely, assess who owes what in terms of capital gains tax. This is clearly a self-serving argument, but may nevertheless be correct.

The other argument usually put forward is that when the late Pinhas Sapir tried it in 1963, it caused a market crash and was eventually abolished. This blatant bludge is unworthy of any serious discussion. Though the TASE today is a half-baked, puny and generally unsatisfactory market by comparison with any major international market, it is infinitely more developed now than it was in 1963 - and the same goes for the economy as a whole.

Even these arguments do not apply to a turnover tax, and this has certain advantages in that it hits speculators and traders more than solid investors. Conversely, it dampens liquidity, a negative in textbook terms - but perhaps a positive for Tel Aviv with its casino-like tendencies.

And now for something completely different: the second item mentioned above - oil. The experts have yet to work out whether the latest Opec deal has sticking power or not. Since they are currently even drunker than usual, it may take some time for either the markets or the analysts to provide a full reaction to the production cutbacks.

But the government need not wait before announcing a new policy on the subject - particularly since reforms in the energy sector are scheduled to get under way next month and have been incorporated into the general reform programme.

We have argued throughout the period of declining oil prices that the policy of fully passing on all price falls was mistaken, and vindication came with the significant increase in oil consumption this summer. If there is one field in which Israel can justifiably have a negative subsidy - read tax - it is energy. We have none, and there are no signs that we are going to find any.

Oil should certainly be bought as cheaply as possible and, despite the recent successes of the government body that does the buying, it should not be done by the government. Energy Minister Moshe Shahal's much-needed reforms are entirely correct in allowing the oil companies and major users, such as the Electric Corporation, to buy their own. But it should then have a hefty levy slapped on it. The price-cutting was done in order to bring the rate of inflation down, which was overdue, probably for these reasons.

As for the other part of the reform, the levy should be given to the Treasury, as part of its revenue, and should be used to finance tax cuts in the economy as a whole. That way everyone would benefit, while drivers, home heating, and the petrochemical industry would suffer. All of which is exactly as it should be.

# ECONOMIC NEWS

## MARKET PLACE

PINHAS LANDAU

### 'Neft' and taxes

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## Oil prices jump to nearly \$18 a barrel

Opec nearly met its 1987 goal of \$18-a-barrel oil, as traders in world petroleum markets yesterday bid up the price of crude to its highest levels in months in response to the cartel's production-cutting accord reached over the weekend.

In New York, the price for February crude for the benchmark West Texas Intermediate hit a 10-month high of \$17.50, before settling on the profit-taking at \$17.22 a barrel, a gain of 83 cents from Friday. In London, February North Sea Brent, the local benchmark, shot up \$1.40 from Friday's price to \$18 a barrel. But the London price also fell back later in the day, as market operators apparently concluded the run-up was not fully justified, and Brent finished the day below \$17.50 a barrel.

"People want to believe Opec will cut output, but they are skeptical," said John Yawger of Cargill Investor Services, a New York trader, trying to explain the late-in-the-day downturn in prices.

The Organization of Petroleum Exporting Countries' accord, from which Iraq, excluded itself, proposes to cut the cartel's overall output by about one million barrels daily, to around 16 million. From February, the cartel also plans to abandon selling in line with free market prices and set a take-it-or-leave-it price for its oil at an average \$18.

Market analysts say February may

## Sanbar quits as chief of Solel Boneh

By MICHAEL YUDELMAN  
Jerusalem Post Reporter

Solel Boneh Chairman Moshe Sanbar told his company's board of directors yesterday that his decision of two weeks ago to resign was final. The company's managing director, Ehud Shilo, however, said he would remain at his post for the time being.

The two both revealed their intentions to resign at a board meeting two weeks ago, saying such a drastic move was necessary to demonstrate the Histadrut-owned building company's severe financial problems.

In particular, the two were protesting a decision by the Histadrut holding company that own Solel Boneh, Hevrat Ha'ovdim, to grant wage increases to Solel Boneh workers. Sanbar and Shilo said the wage hikes would cost the building company \$2 million a month, creating management problems and hurt the company's competitiveness in the construction market.

Although the board supported Sanbar and Shilo on the wage issue, they asked the two to delay implementing their plans to resign for two weeks. The board sought to have Hevrat Ha'ovdim pay for the increases.

Although Sanbar yesterday made good on his threat and indicated it



Moshe Sanbar

## FINANCIAL DATA

### ISRAELI EURO

ISRAELI MONEY MARKETS				
SHEKEL INTEREST RATES				
PRIME BORROWING RATE: 1.58% per month				
Unlinked Deposit (Annual Rates)				
	Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI	22.12	8-17.75%	9-18.50%	10-18.75%
HAPOLIM	15.12	8-16.00%	9-16.50%	10-17.75%
DISCOUNT	17.12	7-18.00%	8-18.20%	10-18.50%
MIZRAHI	1.12	8-17%	9-17.50%	10-18.00%
FIRST INTL	11.11	10-18%	11-17.70%	12-18.50%

Rates vary according to size of deposit.  
(Tapas: demand deposit paying daily interest.  
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH - FOREIGN CURRENCY DEPOSIT RATES (December 22)				
MINIMUM DEP	3-MONTHS	6-MONTHS	12-MONTHS	
USD (\$100,000)	5.625	5.625	5.500	
STG (£100,000)	8.825	8.825	8.750	
DMK (100,000 marks)	4.000	3.875	3.875	
YEN (100,000 yen)	2.575	2.575	2.575	

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES (December 22)				
	CHEQUES AND TRANSFERS	BANKNOTES	Rep.	Rates
Currency basket	1	1.4810	1.5090	1.4832
U.S. Dollar	1	1.4808	1.4892	1.4832
Deutsche Mark	1	0.7482	0.7555	0.7770
Pound Sterling	1	2.1361	2.1626	2.0921
French Franc	1	0.2273	0.2301	0.2234
Japanese Yen	100	0.0104	0.0217	0.0893
Dutch Florin	1	0.0002	0.0004	0.0005
Swiss Franc	1	0.8810	0.9020	0.8701
Swedish Krona	1	0.2151	0.2178	0.2122
Norwegian Krone	1	0.1865	0.1900	0.1920
Danish Krone	1	0.1869	0.1904	0.1920
Finnish Mark	1	0.0038	0.0073	0.0031
Canadian Dollar	1	1.0748	1.0881	1.0535
Australian Dollar	1	0.0018	1.0142	0.9510
S. African Rand	1	0.0649	0.0731	0.0626
Belgian Franc	1	0.3545	0.3587	0.3538
Austrian Shilling	10	1.0585	1.0716	1.0410
Italian Lira	1000	1.0752	1.0888	1.0511
Jordanian Dinar	1	—	—	0.406
Egyptian Pound	1	—	—	0.73
ESU	1	1.5519	1.5712	1.5610

SUPPLIED BY BANK LEUMI

## WORLD BUSINESS IN BRIEF

**Japan to keep tight lid on '87 spending**  
TOKYO (Reuters). - Japan looks set to adopt a tight central government budget next year, throwing the onus for boosting the nation's flagging economy onto local cities and towns.

Finance Ministry officials said yesterday that the central government's overall budget in 1987-88 was likely to be around \$330 billion, little changed from the current fiscal year ending next March.

Taken by itself, the central government budget continues the restrictive stance adopted in recent years, despite pressure from abroad for action to stimulate the economy, officials said.

"Foreigners probably won't be very happy with it," said one official, who declined to be identified.

**CRUDE STEEL PRODUCTION** in the non-communist world in the first 11 months of the year was 384.2 million tons, down 4.1 per cent from the same 1985 period, the International Iron and Steel Institute reported yesterday.

It said last month's production of 34.1 million tons was 6.3 per cent below the output in November, 1985.

The U.S. led November's decline from the same 1985 month, down 17 per cent to 5.3 million tons, in the European Community it fell 8 per

## BUSINESS BRIEFS

**Israel bond sales pass \$8b. mark**  
Cumulative sales of Israel bonds since 1951 have passed the \$8 billion mark, the Bond Organization said yesterday.

Of that, about \$4.5 b. has been redeemed by the Israeli government over the years, it said. The bonds are used to fund a variety of projects, including harbour expansion, the national water carrier, oil pipelines and other infrastructure projects.

Under the new U.S. tax law, interest on Israel bonds is still partially tax deductible, although that of most other securities paying below market rates no longer can offer that. The law states that interest must be no less than 4 per cent and payable in dollars to qualify for the deduction, both conditions of which are met by Israel Bonds.

**INVESTMENT IN CAPITAL EQUIPMENT** and construction grew 9 per cent in real terms in the July-September quarter from the previous three months, the Central Bureau of Statistics reported yesterday. The increase followed a 6 per cent drop in each of the previous two quarters.

The construction-investment category turned in a mixed performance, recording a 2 per cent drop in residential building but an equivalent rise in commercial construction and other sub-sectors.

In the first nine months of the year, capital investment was off 7 per cent from a year earlier, the bureau added.

**A SUPPLEMENTARY BUDGET** for the Health Ministry will be the subject of an investigation by a special team appointed by Finance Minister Moshe Nissim last week. The ministry is seeking \$25 million in additional funds to keep health facilities, particularly hospitals, running through the end of the fiscal year, which ends in March.

Health Minister Shoshana Arbeli-Almosino told Nissim that the hospitals have already spent 95 per cent of their budget for the current year within the past 10 months.

The team, which has the authority to transfer money to the Health Ministry for emergency use, will make a decision on the request this week.

## EUROPEAN FINANCIAL MARKETS

(December 22)

PRECIOUS METALS				
<b>GOLD:</b>	LONDON A.M. FIX	395.35	P.M. FIX	394.15
	PARIS NOON FIX	394.56	ZURICH P.M.	394.25
<b>SILVER:</b>	LONDON FIX	540.75		
<b>PLATINUM:</b>	LONDON P.M.	483.25		
<b>PALLADIUM:</b>	LONDON P.M.	118.50		

FOREIGN CURRENCY CROSS RATES (London 15.30GMT) (December 22)				
	SPOT	2 MTHS	3 MTHS	6 MTHS
DEUTSCHMARK	1.9790/05	83/58	83/78	150/140
POUND STERLING	1.4820/20	120/118	180/178	366/362
SWISS FRANC	1.6610/20	71/68	80/65	183/173
JAPANESE YEN	142.60/65	52/50	72/70	137/132
FRENCH FRANC	6.5110/60	330/355	560/580	1000/1040
ITALIAN LIRA	1372.00/00	1100/1175	1600/1700	3050/3175
DUTCH GILDER	2.2390/00	37/32	36/32	65/65
BELGIAN FRANC	41.230/20	3/6	1/15	29/28
DANISH KRONE	2.5050/75	200/250	425/475	1050/1150
S.AFRICAN RAND	0.4480/00	30/23	40/33	80/70
EUROPEAN CURRENCY UNIT	1.0498/03	24/21	39/25	85/78
FINNISH MARK	4.8700/20	530/570	800/850	1625/1725
AUSTRIAN DOLLAR	0.2700/05	120/110	1650/1680	3380/3440
NORWEGIAN KRONE	7.5310/40	1070/1110	1650/1680	3380/3440

Formula for determining forward rates:  
high/low - (eg. 220/210) - deduct from spot price.  
low/high (eg. 210/220) - add to spot price.

## NEW YORK FINANCIAL MARKETS

(December 22)

**U.S. MONEY RATES**  
Prime rate 7.50%; Broker Loan 7.50-8.00%; NY Euro 3 months 6 3/4-7 1/4%; Fed Funds late 6 1/2-6 3/4%  
**FOREIGN EXCHANGE**

	DMK	SFR	STG	YEN	CAN
CLOSING	1.9835/45	1.6785/80	1.4310/20	162.85/95	1.3782/97
OPENING	1.9840/50	1.6840/50	1.4410/20	162.70/75	1.3763/68
LATEST	1.9770/80	1.6858/10	1.4420/28	162.70/80	1.3777/80

**Comment**  
The dollar was above its weakest levels of the day yesterday, but remained well below Friday's close. Dealers described the decline as technically-based, noting that the dollar broke key chart support at 2.0000 Deutschmarks on Friday and also at 1.9840 marks yesterday morning. There was no U.S. economic news or major fundamental factors to affect it. Sterling was steady.

## ISRAELI STOCKS

### TRADED IN NEW YORK:

NYSE and ASE				
	Last	Prev. Close	High	Low
Alliance	17 1/2	17 1/2	17 1/2	17 1/2
Am. Int. Pap.	17 1/2	16 1/2	17 1/2	16 1/2
Am. Tel.	17 1/2	17 1/2	17 1/2	17 1/2
Elron	17 1/2	17 1/2	17 1/2	17 1/2
El Al	17 1/2	17 1/2	17 1/2	17 1/2
El Al Ind.	17 1/2	17 1/2	17 1/2	17 1/2

Over the counter				
	Last	bid	ask	
Airt	—	6 1/2	6 1/2	
Bank Leumi	—	21 1/2	22 1/2	
El Al	—	7 1/2	7 1/2	
El Al Ind.	—	7 1/2	7 1/2	
Elron	—	5 1/2	5 1/2	
El Al Ind.	—	5 1/2	5 1/2	
El Al Ind.	—	5 1/2	5 1/2	
El Al Ind.	—	5 1/2	5 1/2	
El Al Ind.	—	5 1/2	5 1/2	

## WALL STREET Closing Prices

Dow Jones Indices				
IND	1,924.21	-4.84	NAVISTAR	2 1/4
TRANS	529.70	-1.18	US X CP	2 1/4
UTILS	211.25	-0.81	COMW ED	2 1/4
65 STKS	751.68	-3.04	ATT	25 1/2
NYSE COMP	141.81	-0.84	GEN MOTORS	76 1/2
NYSE IND	163.67	-1.04	EXXON	73 1/4
S-P 100 INDEX	226.92	-1.38	IBM	123 1/2
S-P COMPOSITE	248.45	-1.24	MERCK	117 1/4
AMEX INDEX	284.77	-0.89	UNION CARB	22 1/2
NASDAQ COMP	351.21	-1.03	ATL RICH	81 1/2

NYSE Highest Volume				
NYSE VOL	157,011,850		STOCKS UP	601DOWN 1,033
NASDAQ VOL	155,053,400 (Dec 18)		STOCKS UP	818DOWN 1213

**Comment**  
Stock prices were lower yesterday in moderate trading, showing little change from early levels. Analysts and traders said the market has been trying to find some equilibrium after index futures-related programmes boosted blue chips late Friday. International Technology, which said Friday it expects third quarter earnings to decline, fell 5 1/4 to 17 1/2. Joy Manufacturing, which agreed to a buyout, rose two to 34 1/2.

## OVERSEAS FINANCIAL DATA

PROVIDED BY REUTERS MONITOR

Friends of the Biku Cholim Hospital  
English Speaking Group  
Invites you to a Lecture in ENGLISH by  
Dr. MOSE DUDAI of the Surgery Department  
**Preventing Duodenal Ulcers**  
to be held on Wednesday, December 24, 1986 at 3:30 p.m. at the  
Israel Center, 10 Rehov Straus.  
Tea and coffee will be served from 3:00-3:30 p.m.  
At this time we will also hear details regarding the opening of the Gift Shop.

## Tel Aviv Stock Exchange

### MARKET STATISTICS

Indices:				
General Share Index	126.08	+0.80%		
Non-Bank Index	186.01	+1.44%		
Arrangement	109.22	+0.06%		
Insurance	184.49	+1.06%		
Commerce, Services	200.93	+0.31%		
Real Estate	207.71	+2.23%		
Industrial	147.30	+1.25%		
Textiles	212.33	+1.64%		
Metals	165.38	+1.75%		
Electronics	101.25	+1.14%		
Chemicals	133.85	+0.79%		
Industrial Invest.	146.13	+2.12%		
Investment Cos.	172.31	+1.86%		
General Bond Index	117.92	+0.14%		
Index-linked Bonds	118.89	+0.23%		
Fully-linked	122.20	+0.28%		
Partially-linked	118.41	+0.17%		
Dollar-linked Bonds	35.02	+0.23%		
Short-term 0-2 yrs	114.73	+0.14%		
Medium-term 2-5 yrs	116.33	+0.22%		
Long-term 5+ yrs	111.90	+0.07%		

**The Van Leer Jerusalem Institute**  
Invites the public to the  
**Hanukkah lecture**  
(in Hebrew)  
by  
**Professor SAUL FRIEDLANDER**  
on:  
**Construction of Memory of the Shoah in Israeli Society**  
Wed., Dec. 31, 1986,  
6:00 p.m.  
Albert Einstein Square

## KEREN HAYESOD-UNITED ISRAELI APPEAL

announces a vacant position:  
**Director of Women's Division**

**Job Description:** To establish new groups and encourage fundraising activities in Keren Hayesod communities, in line with the policy of the organization.

**Requirements:** Full high school education and preferably academic degree. Fluency in Hebrew and English essential, with knowledge of Spanish desirable. The appointee will be employed on a special contract. She must reside in Jerusalem.

**Remarks:** The position requires much travel and extended periods overseas.

Applicants are required to forward details in handwriting, with C.V., to:  
P.O. Box 7065, Jerusalem 91070, not later than Friday,  
January 2, 1987. Tel. 02-233184/53

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For details of mortgage loans, apply to one of our three main offices or any of our service counters, opened for the convenience of our customers in branches of Israel Discount Bank throughout the country. We will also assist you in obtaining certificates of entitlement, as well as supplementary loans from Israel Discount Bank.

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Tel Aviv: 16-18 Simat Beit Hashlova, off 96 Allenby Rd., Tel. 03-611881.  
Jerusalem: Discount Bank, Clal Building, 87 Jaffa Rd., Tel. 02-232377.  
Haifa: 11 Pal-Yam St. adjoining Zim building, Tel. 04-670725



